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THE MONTHLY MAGAZINE OF THE NATIONAL RESTAURANT ASSOCIATION VOL. 8 NO. 2 FEBRUARY 1988

# RESTAURANTS USA

## HITTING THE TARGET WITH DIRECT MAIL

# ASSOCIATION MEETINGS

## SEMINARS

### Basic Foodservice Courses

**Dining Room Management**
2/23 San Francisco, CA
2/24 Anaheim, CA
3/7 Burlington, VT
3/9 Orlando, FL
3/15 Rochester, NY
4/12 Pittsburgh, PA
4/26 Boston, MA
4/27 Albany, NY

**Increasing Sales: Effective Front-of-the-House Management**
2/25 San Diego, CA
3/7 Washington, DC
4/14 Wilmington, DE

**Kitchen Management**
2/22 Wilmington, DE
3/7 Chicago, IL
3/8 Portland, ME
3/28 Tampa, FL
4/11 New Orleans, LA
4/12 Atlanta, GA
4/14 Honolulu, HI
4/18 Houston, TX
4/19 Phoenix, AZ
4/20 Boise, ID

**Employee Motivation**
2/22 Vancouver, B.C.
2/24 Saskatoon, Saskatchewan
2/26 Winnipeg, Manitoba
3/22 Boston, MA
3/23 Hartford, CT

**Tools for Training**
3/7 Gatlinburg, TN
3/9 Philadelphia, PA
4/6 Portland, ME
4/8 Ocean City, MD
4/12 Tucson, AZ

### Food Production Courses

**Perfecting Your Culinary Skills**
3/28 Riverside, CA
3/29 San Diego, CA

**Soups and Sauces**
3/14 Atlantic City, NJ
4/18 St. Louis, MO
4/19 Minneapolis, MN

### Foodservice Management Courses

**Banquet Management**
3/16 Berkshire, MA
3/18 Seattle, WA
3/23 Calgary, Alberta
3/25 Winnipeg, Manitoba
4/20 Tampa, FL
4/21 Newark, NJ

**Beverage Management**
2/24-25 Charlotte, NC
4/12-13 Norfolk, VA

**Do-It-Yourself Public Relations**
2/24 Portland, OR
2/25 Seattle, WA
4/20 Nassau, NY
4/21 Providence, RI

**Food Cost Management**
3/14 Los Angeles, CA

**Hiring in a Tight Labor Market**
4/26 Atlanta, GA
4/27 Orlando, FL

**Menus That Sell!**
3/8 Toronto, Ontario
4/21 Bethesda, MD

**Off-Premises Catering**
2/17-18 New York, NY
3/17-18 Denver, CO
3/22-23 Minneapolis, MN
4/13-14 Westchester, NY

**Operational Analysis**
3/9-10 Atlanta, GA
4/6-7 Portland, OR

**Planning Successful Buffets**
4/25 Riverside, CA
4/26 Long Beach, CA

**Profitability**
3/7 Shreveport, LA
3/9 New York, NY
4/6 Lexington, KY
4/7 Indianapolis, IN

**Restaurant Design**
3/24-25 Phoenix, AZ
4/13-14 Columbus, OH

**Server Sales Training**
3/23 Washington, DC
3/24 Philadelphia, PA
4/7 San Francisco, CA

**Wine Server Training**
4/7 New York, NY
4/13 Denver, CO

**For information, contact: Educational Foundation of the National Restaurant Association**
**311 First St., N.W.**
**Washington, DC 20001**
**(800) 424-5156 or**
**(202) 638-6100.**

*If your company is interested in our in-house programs, call or write to the attention of Frank Doyle at the Washington, DC, office.*

## NATIONAL CONFERENCES

**National Conference on Computers in Foodservice**
3/8-11 Orlando, FL

**Conference on Planning and Financing Restaurant Growth**
3/27-29 Los Angeles, CA

## EXECUTIVE STUDY GROUP SERIES

**Financial Officers**
4/6-8 New Orleans, LA

**Foodservice Purchasing Managers**
5/18-20 Chicago, IL

**Internal Auditors**
4/26-29 Charleston, SC

**Large Independent Operators**
3/18-20 Monterey, CA

**Management Information Systems (MIS—formerly EDP)**
4/12-17 Scottsdale, AZ

**Marketing Executives**
5/18-21 Chicago, IL

**Multi-unit Architects, Engineers and Construction Officers (MAECO)**
5/18-20 Chicago, IL

**Quality Assurance**
4/20-22 San Diego, CA

**Tax Executives**
4/6-8 New Orleans, LA

**For more information on specific study groups, contact: Philip Kralovec, (312) 853-2525.**


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# PRESIDENT'S REPORT

**Michael J. Grisanti, President and Chief Operating Officer**
**Grisanti, Inc., Louisville, KY**

A number of exciting developments demand our attention as we move through the month of February.

**Association moves to new headquarters**

Next month the association will be moving its headquarters across town to our new building in the heart of downtown Washington, DC. The building, which the association purchased in December, has eight floors and 85,000 square feet. Association offices will occupy three floors, and we will lease out the remaining floors. We consider the new building to be a good investment and a tangible symbol of the foodservice industry's permanent presence in Washington.

After the move, our new Washington address will be 1200 Seventeenth Street, N.W., Washington, DC 20036.

**Board seeks 100 percent tip credit**

At its winter meeting, the association's Board of Directors voted to seek legislation which would grant foodservice operators 100 percent tip credit. (Currently, employers can take a 40 percent tip credit against the minimum wage.) The Board's reasoning is clear. Congress has just passed legislation requiring management to pay FICA tax on tips. In doing so, Congress, in effect, changed the definition of wages, at least in regard to taxes, to include tip income. If tips are regarded as wages, then they should count as wages when we calculate the payroll.

As one Director put it, "If we pay 100 percent of payroll taxes on tipped income, we ought to get 100 percent of the benefits."

At the direction of the Board, the association staff is seeking sponsors for legislation to amend the Fair Labor Standards Act to allow 100 percent tip credit.

**Grassroots action needed to win political battles**

Another major discussion was how to generate greater grassroots support on political issues. We face a heavy agenda of political battles in 1988 on issues that could affect the foodservice industry:

**1. Minimum wage.** Congressional supporters of minimum-wage increases would like to move on a bill quickly this year.

**2. Parental leave.** A revised House bill would require businesses to grant employees job-protected leave for the birth, adoption or illness of a child or the serious illness of a worker.

**3. Minimum-health benefits.** Both Houses are discussing bills requiring employers to furnish a health insurance package to employees who work more than 17½ hours a week.

**4. Occupational risk notification.** The House has already passed a bill that would require employers to pay for medical monitoring of employees in high-risk occupations. The Senate may move on a similar bill.

The extension of the FUTA surcharge and the imposition of an employer-paid FICA tax on tips have already escalated labor costs. With your help at the grassroots level, we will fend off new legislative attempts to interfere with foodservice operations.

**Members register now for computer conference, March 8–11**

Don't forget that the National Conference on Computers in Foodservice will take place March 8–11 at the Hyatt Orlando Hotel in Orlando, Florida. Extensive analysis of today's hottest foodservice computer applications will be the focus of the conference, and vendors will be there to demonstrate their hardware and software products. To register for the conference, contact the Educational Foundation of the National Restaurant Association at (800) 424-5156 or (202) 638-6100.

**Wine festival takes place in Monterey from March 20–22**

For the second year in a row, the association will be sponsoring California's oldest wine event, The Monterey Wine Festival, from March 20–22. This year's 2½ day event will serve both as a forum for wine experts to exchange information and as an educational opportunity for those operators who are just beginning to merchandise wine. The festival promises to be a grand event from beginning to end. For additional registration information, contact: National Restaurant Association, 150 N. Michigan Ave., Suite 2000, Chicago, IL 60601, (312) 853-2525.

**Great Menu Contest entries through Feb. 29**

There is still time to mail in your entry forms for the Great Menu Contest before the February 29 deadline. Dozens of menus have been arriving in our Washington office, so submit yours soon. Winning menus will be displayed at the National Restaurant Association Restaurant, Hotel-Motel Show in Chicago.

And speaking of the Show, it's not too early to mark the dates on your calendar for this year's big event. It will take place May 21–25. The educational programs, exhibits and entertainment this year will be the finest ever, so make plans to attend.

As the foodservice industry grows, your association continues to grow. We welcome the 115 new members who joined the National Restaurant Association in January. Your commitment to the association further strengthens our unified effort to represent the foodservice industry.

Sincerely,

Michael J. Grisanti
President and Chairman of the Board

## COVER STORY: HITTING THE TARGET WITH DIRECT MAIL


**9** Communicating important information about your restaurant—a new menu, change of decor or promotional event—can sometimes be a hit-or-miss process. With direct mail, however, messages can be right on target. Well-aimed direct mail campaigns can help restaurateurs inexpensively and efficiently target markets and boost traffic counts.

**13 Developing the right list**
A key component of direct mail is the right mailing list. An effective mailing list can boost customer response rates dramatically.

**16 Restaurateurs underutilize direct mail**
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Americans are on a global eating binge, visiting ethnic restaurants in increasing numbers—not just to enjoy different foods, but also to sample the experience of being in a faraway place. This article analyzes the regional and demographic growth of ethnic restaurants across the United States.

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Portuguese cuisine, flavorful and robust, offers inventive harmonies of textures and ingredients. This overview of Portuguese food—plus recipes—may tempt you to add a touch of this "new" ethnic flavor to your menu.

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Blending art with function, restaurateurs are developing customized china to create personalized placesettings.

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This *Leaders of Learning* special points out ways operators can make self-service options easier and more pleasant for customers. Pointers range from correcting problems in the type of food, equipment and utensils offered to improved supervision and signage.

*Cover photograph by Gary Landsman*

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## Illinois Restaurant Association sponsors "menu for murder"

The Illinois Restaurant Association (IRA) has come up with a clever way to increase customer traffic for its member restaurants during the slow winter months. The IRA is co-sponsoring a monthlong dining-and-detecting contest with *Chicago* magazine, in which customers will try to solve a murder mystery called "Menu for Murder."

In its January issue, *Chicago* invited its 1.2 million readers to determine who is killing the great restaurant critics of Chicago by obtaining clues at 47 Chicago-area restaurants, all of which are members of the IRA. Seven clues essential to solving the mystery will be available to diners at participating restaurants during the contest. Customers will have to visit at least seven different restaurants at various times in the month to obtain every clue.

Besides increasing customer traffic, the restaurants participating in the contest will receive a 10 percent advertising discount in *Chicago* for the whole year. Restaurants must advertise in the magazine to participate. Most of the restaurants were already advertising in the magazine, whose readers dine out an average of 17 times each month.

Winners will be drawn from a pool of correct entries. The first prize is dinner for two each week for a year at 52 different restaurants. The second prize is dinner for two each month for a year at 12 different restaurants and the third

## Dietetic association announces fund for foodservice management research

The American Dietetic Association Foundation has established the Allene G. Vaden Fund for Foodservice Management Research. The fund will support grants of at least $1,000 to qualified graduate or undergraduate faculty or to graduate students in dietetic or dietetic internship programs. Grants will be restricted to support research in foodservice management.

Vaden established the fund in April 1987 with a personal gift, intending to announce the first grant recipient at the American Dietetic Association's 1989 annual meeting in Kansas City. Despite Vaden's untimely death in August 1987, the foundation is continuing to seek support for the fund and plans to award the first grant as Vaden had envisioned.

Donations to the Allene G. Vaden Fund for Foodservice Management Research are being accepted by the American Dietetic Association Foundation. For further information about the fund and criteria for grant awards, contact Daniel Lambert, administrator, American Dietetic Association Foundation, 208 South LaSalle St., Suite 1100, Chicago, IL 60604-1003; (312) 899-4820.

## Nassau Community College wins 1987 award for excellence

The National Restaurant Association has selected Nassau Community College in Garden City, New York, as the recipient of its 1987 Award for Excellence, which recognizes outstanding restaurant management programs at community colleges. Nassau was chosen from 34 state finalists.

The fourth annual award for excellence, co-sponsored by the American Vocational Association, is open only to community colleges with foodservice management programs. "The award program is designed to recognize excellence in post-secondary foodservice management education and encourage schools to improve their programs," says Philip Kralovec, National Restaurant Association program coordinator.

The winner is chosen by a four-judge panel, which includes a restaurant operator, a teacher from a four-year college, an industry expert and a representative from the American Vocational Association. The judges make their selections based on the following criteria: the quality of the faculty, the success of its graduates and placement of students into management positions, a well-balanced curriculum that allows for hands-on experience and the ability of the school to keep abreast of industry changes and demands.

Nassau will receive a silver trophy for its accomplishment, and the 34 state finalists will receive certificates. About 70 two-year schools applied for the award last year, more than doubling the number of applicants in 1986.

Applications for the 1988 Award for Excellence will be mailed to all eligible community colleges in March. The application deadline is July 15.

prize is dinner for 10 catered by Chess di Cuisine.

*Chicago* has been contacted by magazines in other cities about duplicating the contest.

## Burger King underwrites museum exhibit

Burger King Corporation is underwriting a permanent exhibit at the Detroit African American Museum in honor of Brady Keys, Jr., president and chief executive officer of the Keys Group Company, which includes 11 Burger King franchises. The event celebrates Keys's 20th anniversary as America's first black franchisor in the fast food industry and his contributions to minority economic development.

**Brady Keys, Jr.**

The exhibit features a commemorative bronze bust, as well as trophies, photographs and other memorabilia highlighting the milestones of Keys's career from all-pro defensive halfback with the Pittsburgh Steelers, to his present position as president and CEO of one of the nation's largest black-owned businesses.

## FICA increase now a reality

The Social Security tax increase that the industry fought down to the wire in 1987 became a reality last month. President Reagan signed the provision into law on December 22, 1987. Because all tips are now considered wages for payroll tax purposes, the association is preparing to push for an increase in the value of the tip credit when the minimum-wage debate heats up later this year.

The new FICA law went into effect January 1 and requires operators to pay the employer's share of FICA taxes on all reported tip income. Until 1988, employers paid FICA only on tips that were used to satisfy an employer's minimum-wage obligations.

IRS has said that it expects to distribute a revised Form 941 soon, which will include a space to report the additional FICA tax on tips. In the meantime, operators should include the additional FICA taxes in their payroll deposits.

The association fought to eliminate the provision when a $9 billion tax package began moving through Congress last year. If there had not been a stock market crash in October that forced Congress and the administration to hold a deficit reduction "summit," the provision might have been left out of the final budget package.

But administration officials were adamant that a FICA increase be included in the bill, and congressional tax writers by and large gave in to the administration's demands. However, Sen. John Chafee (R-RI) did offer an amendment during the Finance Committee debate to delete the provision, but his effort failed.

"It is apparent that pressure to reduce the federal deficit brought this proposal back from the dead," association President Michael Grisanti said. "It will escalate payroll costs significantly in many restaurants that were dealt a severe blow last year when Congress passed legislation reducing the deduction on business marketing meals."

The provision to increase FICA taxes on tips was not the only provision in the tax bill that affects restaurateurs. Other changes:

□ Sellers of alcohol face increased taxes. Under the old law, retailers of alcoholic beverages paid a yearly $24 "occupational tax" if they sold beer and $54 annually if they sold distilled spirits. Under the new law, these two fees are now combined and have been increased to $250.

□ FICA taxes now extend to the earnings of spouses and of children over 18 working in family businesses.

□ The cost of employer-provided group term life insurance is now included in wages for FICA purposes to the extent the coverage exceeds $50,000 or if the coverage is provided on a discriminatory basis.

□ The temporary 0.2 percent FUTA surtax is extended for another three years.

□ Employers are denied use of TJTC for workers hired to replace employees on strike or involved in a lockout. This provision becomes retroactively effective for workers hired on or after January 1, 1987.

□ Employers must pay higher annual premiums to the PBGC (Pension Benefit Guaranty Corporation), the deficit-plagued government agency that insures private pension plans. The budget bill increases the annual premium employers must pay from $8.50 to $16 for each worker.

## Sulfite ban on some potatoes proposed

Reacting to more than 60 reports of severe adverse reactions to sulfite-treated potatoes, the Food and Drug Administration (FDA) has proposed a ban on the application of sulfites to fresh potatoes that are served unpackaged and unlabeled.

The FDA proposal, which comes nearly a year and a half after the agency banned the use of the anti-browning agent on fresh fruits and vegetables, does not extend to potato products whose package labels already specify sulfite content.

Immediately following the December 10 release of the proposed rule, National Restaurant Association Executive Vice President William P. Fisher filed comments with FDA Commissioner Frank Young to commend the long-awaited FDA action. He also complained that it does not go far enough. Because canned, dehydrated and,

especially, frozen potatoes are likely to be served to customers in the same form as fresh potatoes, Fisher wrote, sulfite-sensitive restaurant patrons would not know when they were consuming sulfite-treated potatoes. "Creating artificial classes and special status for virtually identical products leaves all parties ill-served, most notably the consumer," Fisher wrote.

In order to advise customers about sulfite content in potatoes, FDA's proposal suggests that restaurant employees be familiar with the packaging labels. Fisher attacked this provision, noting that third-party transmission of label data can be unreliable. Moreover, Fisher said, "Fresh and frozen precut potatoes are often supplied in similar packaging, with only the outer carton labeled. As this outer carton is frequently discarded for easier storage and handling, any label warning would be easily lost and, thus, not be made available to consumers."

Public comment on the proposal is open until February. FDA will issue a final ruling when all comments have been considered.

## Small business report knocks minimum health care

Requiring businesses to provide a minimum package of health insurance benefits to workers is not the answer to the U.S. health care crisis, says a report recently issued by the House Small Business Committee, which urged that alternative strategies be studied and implemented as soon as possible.

The report acknowledges that there is a crisis: 37 million Americans lack health insurance, and most of these are workers or dependents of workers. The 22 percent increase in these numbers since 1982 is partially accounted for by job growth in small firms and service companies—businesses that are least likely to offer health plans to workers.

Responding to this trend, Sen. Edward Kennedy (D-MA) has introduced legislation requiring all businesses to offer full-time employees

**Rep. John LaFalce**

a health insurance package covering hospital and physician care, catastrophic care, diagnostic tests, well-baby care and more.

The committee report concludes that small businesses could never afford to provide this coverage. Calling health insurance costs for small businesses "exorbitantly high," committee chairman Rep. John LaFalce (D-NY) cites low profits, fixed administrative expenses, smaller pools of employees among which to spread risk, high health care costs and inequitable tax treatment for small businesses as factors which put Kennedy's proposal out of the reach of most small employers.

The committee recommends three alternatives to mandated health benefits:

□ Allow the owners of unincorporated businesses to take a full tax deduction for health premiums, as proposed in a bill by LaFalce. Currently, the self-employed are limited to a 25 percent deduction even though incorporated business owners can fully deduct their premium costs.

□ Make it easier for small businesses to pool together and reduce costs by spreading risk more broadly. Currently, state-mandated benefit laws and complicated federal regulations on pensions and employee benefits discourage these pooling arrangements, notes the report.

□ Force employers and insurers to subsidize state risk pools for the medically uninsurable and those who do not have access to employer-based coverage. The report recommends that Congress require all employers with more than 20 employees to participate in state risk pools. The report claims small businesses would benefit by being able to enroll their high-risk employees in the state risk pool.

The committee's recommendations are based on a series of hearings held last spring to examine the problems small businesses encounter in providing health care benefits and to explore alternative options to mandated benefits for expanding coverage among the uninsured.

*—Jay Morris*
*—Denise Roach*

## Fast food labeling now unlikely

Sen. John Chafee (R-RI), sponsor of legislation that would require ingredient labeling of packaged foods in certain fast food restaurants, has applauded the industry's voluntary efforts to provide customers with ingredient and nutrition information.

Chafee's remarks in a December 19 Senate floor statement seem to signal that his campaign to require labeling is waning and that there will be little or no pressure from Congress to move toward mandatory fast food ingredient disclosure.

According to Chafee, many of the large chains have developed programs to disseminate ingredient information through brochures that are made available to interested customers. Employee training and menu descriptions of ingredients are also being used to convey information, Chafee noted in his talk.

Chafee praised the association's involvement in encouraging its member operators to pay attention to their customers' diet and nutrition interests. The association, in conjunction with the American College of Allergists' Food Allergy Committee, published "Guidelines for Providing Facts to Foodservice Patrons," a booklet designed to help foodservice operators develop both ingredient and nutrition information programs.

# DIRECT MAIL
## Delivers your message

Direct mail is one of the most cost-effective methods of communication. It is action oriented; it requires a response. It is direct and immediate; either you get a response or you don't. It is measurable; you can track the results. And it is flexible; you control the timing, message and target audience.

Today's direct mail is much more than the conventional "junk mail" coupons that have been crowding mailboxes for years. Mailings can be newsletters, calendars, mini-menus, personalized birthday and holiday greetings, coupons, contest cards or informational brochures. They can be one color or four color. They can advertise special events or retail signature items. They can be elaborate fold-out brochures that are redeemable for a discounted meal. There are as many types of direct mail as there are restaurants. Direct mail's ability to establish an intimate one-to-one relationship between the advertiser and the recipient makes it a natural marketing tool for restaurants.

***Although large corporations have made a science of direct mail, its scope is not limited to fast food restaurants and giant chains. Successful direct mail campaigns can be executed simply and inexpensively.***

Although newspapers and local radio promotions may reach larger audiences, studies show that a single direct mail offering generates a higher percentage of returns for the advertising dollar invested. Direct mail is also the best-read advertising medium.

About 72 percent of the population likes receiving mail, and eight of 10 direct mail pieces are opened and at least scanned, according to the U.S. Postal Service.

Many restaurateurs have already discovered that direct mail works more effectively than other forms of advertising. Carl DeLeonibus, owner of Newtown Pizzarama, Newtown, Pennsylvania, has given up his newspaper ads and inserts to attract new customers. "I send out direct mailings four times a year with three different companies," says DeLeonibus, "and 40 percent of the coupons are redeemed with each mailing!"

Tom Klauber, food and beverage director of The Colony, a fine-dining establishment in Longboat, Florida, also believes in the effectiveness of direct mail. "We don't use print advertising at all; our message is just too jumbled with all the other ads," he explains. "Direct mail is our foremost public relations tool—it's a much more personalized touch."

One of the major benefits of direct mail is that it focuses on specific market areas. Promotions can be distributed by neighborhood, zip code, census tract or by a demographically appealing area. Another advantage is that, unlike other kinds of advertising, a single direct mail promotion can generate a steady stream of customers for several weeks—not just a day or two. Despite these advantages, direct mail remains relatively unexplored by operators.

## Many different types of pieces

"It's nothing short of amazing how relatively few restaurants harness the full power of direct mail marketing to sell their services," says direct mail expert John Jay Daly, president of Daly Associates, Inc. in Washington, DC. "The skills, talents and techniques required to be a successful restaurateur—good food that is well-prepared and served in a warm and caring setting appropriate to the market—are little different than the essence of what's needed to conduct a successful direct mail program.

"Just as there are thousands of restaurants of widely varying types, so, too, there are many ways to create a direct mail piece. You can be as high class and 'toney' as you want or as homespun and plain," says Daly.

For example, you can send:

□ a thank you letter or card to new customers

□ a card or letter to mark a significant customer event, such as a birthday, promotion or anniversary

□ a welcome letter to a new arrival in the area

□ a newsletter about restaurant activities and/or patron news

□ your menu

□ a card or letter to mark a holiday, such as Christmas, or a significant local occasion

□ a postcard, letter or invitation (two or three-dimensional) announcing a special offer or promotion and

□ a letter to a patron who has not patronized you in a few months.

However, the catch-all message, "We are here; come visit us sometime," should be avoided in any medium but especially in direct mail.

## Know your goal

Direct mail marketing begins with the question, "What response do I want?" To be effective, direct mail should be created for a specific purpose to elicit a specific response. It can be designed to encourage late-night dining, to build lunchtime traffic, to boost average check size on weeknights, to increase party size midweek or to accomplish any other restaurant goal.

Once you select a specific goal, everything else flows from there: the audience, the offer, the vehicle and the timing.

**The list.** The target list is perhaps the most critical component of a direct mail marketing program. Only names that are truly potential customers should be included. A reservation list is an excellent starting point for an in-house list or the names of individuals or companies that have expressed an interest in restaurant services (such as catering and banquet sales). Gary's in Washington, DC, compiles its mailing list from business cards and house accounts. When this upscale restaurant held its sixth anniversary last year, it sent out invitations to the list, announcing the weeklong festivities and the revamped menu and decor. According to co-owner Vito Zappala, "The direct mail campaign improved sales for the whole month, not just the anniversary week, and it reacquainted customers with the restaurant."

Mailing lists can also be purchased from a variety of sources, and they can allow you to explore new markets. Keep in mind that consumer research repeatedly confirms that 80 percent of restaurant customers come from within a 7-mile radius of the restaurant. You may want to group your lists by zip codes, demographic characteristics, business districts or similar categories. You can get neighborhood statistics from the U.S. Bureau of the Census or its regional offices.

Whether you have your own computer or you use an outside computer service to maintain your mailing list, you will find that the computer is the most efficient and cost-effective way to mold a mailing list to your needs.

Whenever possible, develop direct mail pieces that allow you to add to or refine your list. Coupons and discounts which must be returned for redemption can provide valuable information if the original mailing label appears on the piece.

**The offer or message.** The direct mail message should call attention to your operation and encourage customer trial. It should be tailored to

***Direct mail is the best-read advertising medium. Eight out of 10 direct mail pieces are opened and at least scanned, according to the U.S. Postal Service.***

appeal to whatever it is that makes each target audience different or distinctive by highlighting certain benefits or acknowledging certain interests. This tells your audience that you've got them in mind, and it tends to make them more receptive to the offer.

One of the most powerful attributes of direct mail can be its personalized aspect or at least the *appearance* of personalization, which is very easy to achieve with today's computers. Personalization is more than a customized label and salutation, however. It is also a personal style of communication that refers to the restaurant as "we" and the patron as "you." For example, in one successful direct mail campaign, The Colony restaurant sent a list of new selections to its VIP mailing list. The small menu contained an insert card with this unambiguous offer from the food and beverage director: "This is your personal invitation to join us for dinner. Present this card to your captain for a complimentary half bottle of our own Colony Chardonnay. One half bottle will be presented to each couple in your party."

Tom Klauber, food and beverage director, was pleased with the results. "Of the 2,000 mailouts, we had between 800 and 900 responses," he says.

"A good direct mail piece prompts the reader to act," says American Express' marketing division in New York City. "By including a value-added offer, such as a coupon the customer must redeem, you encourage the reader/customer to respond in a measurable way." Frederick Goss, executive director of the Newsletter Association in Arlington, Virginia, couldn't agree more. "Ask for the action," he says. "The surprising dynamic of direct mail is that people don't do anything more than they are told. They will not draw conclusions or infer anything. Tell them how they can take advantage of the offer step by step." It is also a good idea to set an expiration date and give recipients your address and telephone number.

**The vehicle or format.** Your direct mail message can take almost any size and shape. From postcards to buttons to letters to formal invitations, your direct mail piece must overcome "junk mail" status and convince recipients that they have received something of perceived value. It must appeal to the person who receives it, meeting his or her needs, wants and expectations. To phrase it another way, the direct mail piece must achieve four goals. It must 1) call attention to the message, 2) create interest, 3) build desire for trial and 4) produce action.

***"It's nothing short of amazing how relatively few restaurants harness the full power of direct mail marketing to sell their services."***

One of the most familiar formats is the newsletter. Monique's, a casual, upscale French cafe in Chicago (80 seats), publishes a newsletter every three months and sends it to a mailing list of 2,200. "It is part of my education program. So many clients ask questions about ingredients, recipes, etc., and this is a way of keeping in touch," says owner Monique Que Hooker.

The newsletter is also a public relations and promotional tool, including information about special events at the restaurant. Monique's fall newsletter, for example, included an invitation to a tree-trimming and wine-tasting party, ideas for using signature items for Christmas, a calendar of events, a glossary of culinary terms, a spotlight on coriander and cilantro (with recipes) and a personal note from Monique on "What Christmas means to me." "I want people to know that 'Monique' is not just a name, but a real person," explains Hooker. The newsletter takes three or four days to put together in-house, and it is mailed within two weeks. "It really pays," says Hooker. "We've gotten a lot of positive response."

**Timing and frequency.** There are generally established patterns of response to direct mail. "December 26, July 3 and Labor Day are usually good times for most types of direct mail offers," says Goss. Other experts merely caution against sending materials during heavy mailing seasons, such as Christmas or vacation months. Your own seasonal patterns will best dictate direct mail timing—you will want to target customers during your slow seasons.

Frequency is mostly a matter of staying on top of results. You should mail as often as you get a sufficient response to justify costs.

The Tenth St. Market in Cleveland, for example, mails one direct mail piece each month to its 2,000 customer mailing list. It is the only form of advertising for the specialty food store and adjacent 40-seat cafe, and it has been very successful. The mailings are usually tied to a holiday, such as Valentine's Day, Easter, Mother's Day, Memorial Day, Thanksgiving and Christmas, or to a season, such as a picnic flier in summer.

"We do a takeout menu biannually, seven extensive menus and six to seven notecards focusing on one or two menus for the holidays," says General Manager Kim Haller, who says the company does its own pieces because they approach them with "passion."

At The Colony, Tom Klauber sends out mailings anytime the restaurant has something new or different to announce. "We send out direct mail all the time," says Klauber. "Any time we do anything new or have a brainstorm, we send out a mailing to let our customers know." He believes his customers appreciate the frequency. "People like to hear what we're doing and what's new."

Direct mail may take time to produce results, however. "You have to do it for a while, and it has to be well done for it to work," Haller advises. "Direct mail pieces have to measure up to customer expectations, and they have to measure up to the quality of the food."

## 20 tips for successful direct mail

**1.** Be sure your direct mail piece has a specific purpose.

**2.** Personalize your direct mail. Do not address an envelope to "Occupant." Personalization not only stimulates interest in your message, but also increases response an average of 30 percent.

**3.** Remember your 4 goals: Your promotion must draw attention, create interest, evoke desire and call for action.

**4.** Do what is necessary to make your mail stand out, even "look peculiar," because it has to fight all types of competition.

**5.** Make your direct mail piece consistent with your restaurant's image.

**6.** Highlight the unique/special nature of your operation.

**7.** Time it right: Consider when your direct mail piece will be mailed and when it will be received. The highest percentage of response tends to occur in January, the lowest in June.

**8.** The chances of attracting potential customers with direct mail increase when your promotion arrives in an eye-catching envelope.

**9.** Studies show 75 percent of your response will occur during the three weeks after your first response. Allow another three weeks for stragglers. After that, you can close the books.

**10.** "Buy one, get one free" consistently outpulls all other comparable offers.

**11.** Use your house file. Your patrons have all bought before and will probably buy again.

**12.** Don't bypass the offer. Ask for a specific action. Specifics work better than generalities.

**13.** Keep your message simple. Don't mix your message. Focus the theme of your message to get one point across to your potential customers.

**14.** Repeat mailings are imperative. A common error is failure to mail often.

**15.** Test various offers and copy formats so you can find what is working to build business. Keep detailed records of everything you do so you know what happened, when and why. That way you can repeat successes and avoid failures.

**16.** Prepare your staff to receive the maximum number of responses possible.

**17.** Don't try to trick your customers with "the small print." Be sure the promotion offer is clear. Honor expired promotions whenever possible.

**18.** Always include your address and telephone number.

**19.** Keep your mailing list up-to-date.

**20.** Tell your staff how well the promotion worked.

### Track your results

In order to determine whether your direct mail piece reached the right audience with the right offer in the right way at the right time, you must track your responses and measure your results.

Tracking is just what it says—keeping track of the coupons, discounts, calls or whatever response mechanisms you used—determining how many there are and where they came from. The more response data you can gather, the better chance you will have of building stronger promotional programs.

With your specific goal in mind, the type of information you want to gather should be fairly easy to perceive. For example, if your promotional goal is to increase late-night dining, your records should show how many people were in the party and if others in the party took advantage of the promotion or ordered from the regular menu.

Without coupons, tracking can become more difficult, but it is still possible. Your service staff, for example, can ask the necessary questions, but be sure the questions can be asked briefly and the answers are easy to record because during promotional periods your operation is likely to be much busier than usual. Ask your service staff for suggestions before you set up a recording system.

To encourage staff participation, consider including an employee incentive program with each direct mail promotion.

In situations where waitstaff participation is not possible, direct mail tracking can be done through written surveys presented to customers after they have ordered, but before they have received their meals. To do this, servers must know that the customer is responding to a direct mail promotion. Therefore, be sure to indicate on the direct mail piece that any coupon or offer should be presented to the waiter when ordering.

As a side note, the manner in which the server presents the survey can increase or decrease response. A cordial presentation is sure to elicit a higher response than simply placing the survey on the table without an explanation. For example, the server could say: "Thank you for joining us tonight. We are glad you are able to take advantage of our special offer. While we are preparing your meal, would you please take a minute to fill out this informal card? We'd like to find out more about you, so we can better serve you."

When a direct mail promotion is completed, let your employees know the outcome. It will encourage participation the next time you plan a direct mail promotion.

### Measuring your results

Of course, you will need some way to judge the success of your direct mail campaign, and this will depend on what you are looking for. For example, are you looking for a certain number (quantity) or for a certain kind (quality) of response? Are you interested in the total responses or responses from a certain segment? Only you can answer these questions. "Once you find a direct mail message that works, use it again," says David Clayton, vice president of sales and marketing for TriMark, one of the nation's largest co-operative direct mail publishers. "Repeat your winners."

### In sum

To run a successful restaurant not only do you need a steady supply of satisfied customers, but you also need new ones to replace those who no longer come by, for whatever reason. A soundly executed direct mail marketing program can help you achieve those goals. Well done, it can tell present customers you're still around and that you appreciate their business. It can remind sporadic ones that you'd like their patronage more often. And it can inform prospective customers what you have to offer. ❑

# HITTING THE BULL'S-EYE WITH THE RIGHT LIST

***Affordable programming and equipment have opened direct mail marketing to restaurants of all sizes. Mailing lists are now being created, updated and manipulated to zero in on almost any customer base in any marketplace. By adding the right direct mail marketing message to the right mailing list, many operators are boosting their response rates well above those previously experienced with radio and newspaper advertisements.***

Suzani

**by David Slater**

Some restaurateurs find print, radio and television advertising to be like throwing darts at a target from a distance—only a few hit the bull's-eye. Direct mail, an often overlooked marketing tool, is a more exact form of advertising that allows the advertiser to control the message, the timing and, most importantly, the audience. With direct mail, it is possible to hit the bull's-eye every time if you have the right mailing list.

According to marketing expert Bob Stone, author of *Successful Direct Marketing Methods*, a mailing list is a collection of names and addresses of individuals and/or companies that have in common a specific interest, characteristic or activity. It is this commonality that determines whether the individuals on the list would be

*David Slater is a communications specialist at the National Restaurant Association.*

likely prospects for a promotion or other marketing effort. In fact, many marketing pros believe that the right or wrong list can make or break a direct mail campaign.

In the past, generating a mailing list was a time-consuming process. But computers have changed all that. Due to the advancement of computer technologies, mailers can now be highly selective in targeting a potential market. And the end result, says Chuck Orlowski, vice president of marketing at AZ Lists, Inc. in Greenwich, Connecticut, "is greater efficiency, better response rates, better customer performance and the ability to mail more with greater cost efficiency."

There are many sources for mailing lists. Lists can be generated internally from a roster of regular customers, purchased or rented from commercial vendors or compiled in-house from local chambers of commerce, associations and the phone book.

At the Colebrookdale Inn in Boyertown, Pennsylvania, for example, owner Liza Kinzinger doubled her lunch trade with a "Quick Lunch" flier mailed to 200 local businesses last May. She compiled the mailing list herself from the Yellow Pages.

Jardine's, a country farm restaurant in Sarver, Pennsylvania, attracts bus tours, senior citizen groups and picnic business with brochures mailed to lists obtained from art groups, senior citizen centers, the chambers of commerce and phone books.

And to spread their name throughout the Washington, DC, area, Armand's Pizzeria (7 units) sends audience-participation mailers through a constantly changing variety of homemade and rented lists, including fliers to new area arrivals, who, according to operations manager Dennis Coughlin, "haven't yet set their buying patterns."

## In-house lists

There is often a correlation between the source of the mailing list and the intimacy of the direct mail message. Internally generated lists, for example, are an excellent vehicle for personalized announcements and newsletters. Not surprisingly, these in-house lists produce the best response rate and are most often used by independent restaurants and those that are more interested in establishing a personal relationship with current customers.

Compiling in-house lists, however, can be a time-consuming process, although availability of computerization has made mailing list maintenance simpler for operators of all sizes. At Atlanta-based Liberty House Restaurant Corporation (3 units), a full-time employee is required at each of the company's two upscale restaurants, Bone's and Trotters, to maintain the mailing list for each restaurant's popular newsletter. In fact, to add names to the mailing list, these employees use a reverse city directory to track down the addresses of customers who make reservations.

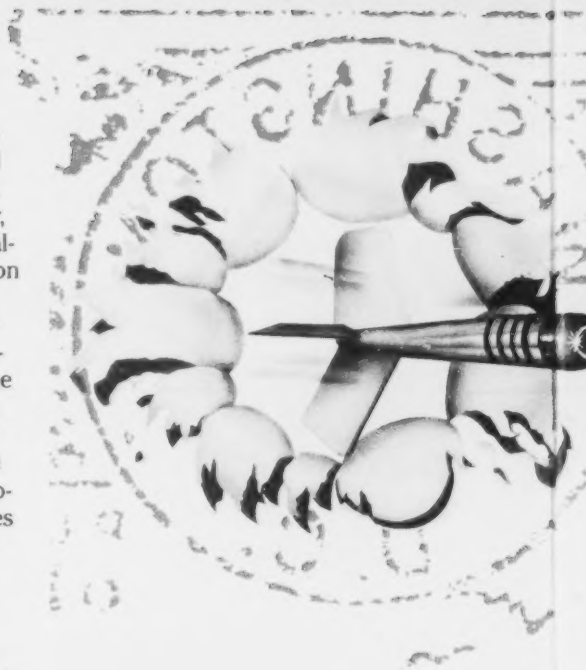
According to marketing director Nancy Oswald, once the names are in the computerized data bank, "a lot of time and people resources are invested in keeping the list up-to-date." Names on the list are called on a regular basis, and those who haven't been coming in have their names deleted. In addition, the company gets a high amount of change-of-address requests. There are currently 4,500 names on the Bone's mailing list and 3,800 on the list for Trotters.

Oswald has learned firsthand that the benefits of Liberty House's homemade list offset the continued effort expended in list compilation and maintenance. "We could buy a mailing list, but that's not what we're all about," she says. "We want to establish and re-establish ties with existing customers."

At Universal Restaurants in Grand Rapids, Michigan, the largest franchisee of Mr. Steak, the mailing list totals 200,000 names for the chain's 20 units.

Compiling the mailing lists "has been a complicated program," says director of marketing Caroline Cook, "but we feel the benefits will far outweigh the effort and cost. Once you have the data base of names, it's not that expensive to get the pieces out." In fact, Cook estimates that with twice-yearly mailings, the cost of the program for each store will be only $11 per week.

"We don't have gigantic advertising budgets, so we really have to target our market," says Cook. "Direct mail is the best way to do that."



## Purchased lists

Purchased lists, on the other hand, are often used by chains or limited menu restaurants whose goal is to attract new customers with discount coupons. Commercial list brokers sell or rent lists that correspond to almost any demographic or geographic group. Lists can be obtained about individuals who have recently moved to a particular neighborhood, members of clubs and trade associations, owners of high-priced automobiles and individuals in particular professions.

Businesses use these specialized lists to lure individuals who might be good candidates for a certain promotion. For example, at The Manor in West Orange, New Jersey, public relations director Mary Jane Frankel is planning to mail information on The Manor's game festival to members of local hunting clubs. To reach potential customers who may think of The Manor only as a well-known catering facility, not a fine a la carte restaurant, Frankel will use a purchased list of upscale local residents. Through these specialized mailing lists, says Frankel, "we can reach an upscale clientele that might not think of The Manor as a restaurant."

## Before selecting a list

Operators should do their homework before buying or renting commercial mailing lists. The prices for such lists vary, but usually reflect the list's quality—the regularity with which it is updated, the nature of the names and

## Direct mail newsletters can establish a "club" feeling

In general, the best direct mail programs are those that succeed in drawing the customer into the promotion. For example, Atlanta-based Liberty House Restaurant Corporation (3 units) uses customer-oriented newsletters to establish a "family" feeling among the regular customers at their two upscale restaurants: Bone's, a "cigar and leather" steakhouse, and Trotters, a "clubby" American restaurant. According to Nancy Oswald, director of marketing, "we're not really trying to win new customers with our direct mail—We're trying to deepen and re-establish ties with existing customers. That's why we'd rather see our promotional dollar spent on personal things, such as a newsletter or Christmas and birthday cards."

The Liberty House newsletters are successful because they are as much about the customers as they are about the restaurants. For example, the regulars at Bone's receive a newsletter that reflects their sophisticated interests. Produced six times each year, the Bone's newsletter opens with "Beef Tips," a column that talks about promotions and job changes among "award-winning Bone's friends." Also included are many photos of smiling customers (taken in the restaurant) and a column listing customer birthdays for the period covered by the newsletter.

The newsletter includes a "Meet the staff" profile, which is popular, says Oswald, "because the customers are always curious about the people who serve them in the restaurant," and "Bone's Appetit," which each month profiles the sights and cuisine of a different city or region, such as Paris, San Francisco, Brussels or Burgundy.

The Trotter's newsletter, mailed once each season, varies from the Bone's newsletter in appearance and content because many of the customers receive both pieces. Nonetheless, it serves to make regular customers feel like part of a select group. This is accomplished through lots of cleverly captioned photos and through personalized columns written by restaurant staff members. These columns, such as chef Richard's "Come on, you can cook this one" or bartender Gary's "cocktail conversations or trivial concerns," draw the customers into personal relationships with the authors.

The Trotters newsletter also includes "Eye on you, Peachtree," a less professional gossip column than the Bone's newsletter's "Beef Tips." A typical column might include information on a customer's recent summer cruise, a customer's move to another city and an Atlanta Symphony Orchestra fashion show. "Globe-'Trot'-ting," which highlights seasonal events all around the world, also is a reader favorite.

Customers hate to miss a copy of the newsletters, says Oswald, because they might miss their own photograph or the latest news about one of their fellow "club members." According to Oswald, there is a discernible increase in reservations the days immediately following each newsletter's arrival. The effectiveness of the newsletter was also felt in the winter of 1987, when a mail-order form for holiday retail items was inserted in the Bone's newsletter. More than $15,000 in orders was received, almost entirely in December.

the manner in which it was compiled. Before selecting a list, an operator should seek visual assurance that the list being purchased has been regularly updated. A list that is not up-to-date is of questionable value because lists age rapidly. "Chances are that if you mail to a list of names older than a year and it has not been cleaned and updated, you'll find a large percentage of bad addresses," notes Orlowski.

### Co-op mailers

A direct mail option, used by nearly one-fifth of the restaurants who use direct mail, is co-op or value-pack mailings. Through companies such as Advo or Val-Pak, businesses share postage by advertising in a group mailing delivered to homes.

Because almost all the co-op advertisers offer discount coupons, the primary appeal of group mailings is not to upscale restaurants. The advantage of advertising through these companies is that the operator only needs to make a phone call, and the co-op company will do the rest—from design, layout and typesetting to actually mailing the piece. Operators often can mail in increments of 10,000 or more, usually determined by zip code or geographic area surrounding the restaurant, with a cost as low as 4 cents per home.

According to Hank Poth, general manager of Val-Pak of St. Louis, the best way to measure the return from a co-op mailing is to keep an accounting of sales for the month and to track the coupons that come into the store. Because neighborhoods are so thoroughly blanketed, he adds, a 2 or 3 percent return on 10,000 can be quite substantial.

There's no such thing, however, as a "normal" percentage of return that's *universally* applicable across a wide range of products and services. By keeping careful records over a period of time, however, you can determine what some norms are for your offers. Then, you can set a goal of "beating your best" promotion.

### Send it more than once

If all the elements of your direct mail program prove to be sound, it is imperative that repeat mailings be made to your list. "It's difficult to wear out a good list, and, unless mailings are overdone, you can't wear out your welcome," advises John Jay Daly, president of Daly Association in Washington, DC. "Let statistical probabilities and the laws of economics work in your favor rather than allow diffidence about making frequent mailings deter you. A common error is not to mail often enough or to a wider list." ❑

by Laurence Greenberg

*Foodservice Trends Special*

# RESTAURATEURS UNDERUTILIZE DIRECT MAIL

***Direct mail is an underutilized form of advertising among restaurant operators. Although other industries have successfully used direct mail for years, sending everything from product catalogs, magazine subscriptions, invitations and cents-off coupons for newly introduced household products, restaurateurs have yet to use this advertising medium to its fullest potential.***

Although direct mail advertising offers several advantages over more conventional forms of promotion, only one-quarter of the restaurants queried in a special Gallup survey commissioned by the National Restaurant Association said they used direct mail to promote their establishments in 1987. One-third as many restaurateurs used direct mail as advertised in newspapers, less than one-half as many used direct mail as sponsored community events and just slightly more than one-half as many used direct mail as distributed handouts or fliers. (See article in *Foodservice Trends* for details on other forms of advertising.)

## Which restaurants use direct mail?

According to the Gallup survey, the restaurants most likely to use direct mail are chains or franchised independents, fast food operations and establishments with high daily customer counts. In fact, nearly half of the chain/franchised independent restaurants polled used direct mail, 19 percent of them on a regular basis. And 31 percent of the restaurants describing themselves as fast feeders employed direct mail techniques, 13 percent on a regular basis.

In contrast, the least likely users of direct mail are independents, non-fast food restaurants and operations with low daily customer counts. Only 18 percent of independents used direct mail, and just 5 percent did so on a regular basis.

## Coupons most popular form of direct mail

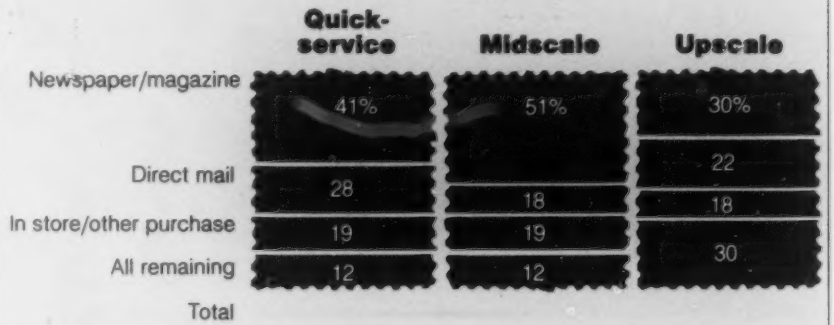
Because direct mail advertising is possible in a variety of forms, operators have a variety of options to choose from. But by far, the most popular form of direct mail in current use is the mailing of coupons or discounts. Coupons and discounts have become important means of increasing customer traffic, especially in periods of slower economic growth. According to CREST data, in an average two-week period between December and May 1987, 28 percent of the coupons redeemed at quickservice restaurants by consumers were received through direct mail. Direct mail was the vehicle for distributing 18 percent of all coupons redeemed at midscale restaurants and 22 percent of all coupons at upscale establishments.

Almost two-thirds of the direct mail users polled in the association Gallup survey distributed coupons or discounts. This percentage is markedly higher at chain restaurants and fast food places. For example, among direct mail users, 84 percent of the fast food places surveyed offered coupons through direct mail, compared to 53 percent of the non-fast food feeders. Coupon usage was just as high at chain restaurants; 85 percent made use of this direct mail method. In contrast, only slightly more than half of the independent establishments polled mailed coupons.

According to the survey, the next three most popular forms of direct mail were value packs (a collection of coupons from different sources), mini-menus and calendars of events or specials. These three types of direct mail lag far behind coupons in popularity; value packs, for example, were used by only 20 percent of all the direct mail users polled. Value packs, also called co-ops, are used mostly by the same types of restaurants that direct mail their own coupons: chains, limited menu establish-

**How restaurant coupons are distributed***

*Most restaurant coupons are distributed through newspapers or magazines*




*Percent of total coupons redeemed by consumers, by source
**Source:** CREST, December 1986 through May 1987, average two-week household data

*Laurence Greenberg is a research specialist at the National Restaurant Association.*

## Users of direct mail*

*Chains and franchised independents are the heaviest users of direct mail*

| | | Ownership | | Restaurant type | | Average daily customer count | | |
|---|---|---|---|---|---|---|---|---|
| | Total | Chains/ franchised independents | Inde-pendents | Fast food | Non-fast food | Under 200 | 200–399 | 400 or more |
| Users | 24% | 46% | 18% | 31% | 21% | 17% | 32% | 29% |
| • Regularly | 8 | 19 | 5 | 13 | 6 | 5 | 11 | 9 |
| • Occasionally | 16 | 27 | 13 | 18 | 15 | 11 | 20 | 20 |
| Non-users | 75 | 53 | 80 | 69 | 77 | 82 | 68 | 70 |

**The percentages of regular and occasional users may not add to total users due to rounding.*
**Source:** National Restaurant Association Gallup survey, 1987

ments and eateries with high daily customer counts. While 33 percent of the chain restaurants mailed co-ops, only 11 percent of the independent operations utilized this form of advertising.

In contrast, mini-menus and calendars are more the domain of full-service, non-fast food establishments. Twenty percent of the fullservice restaurants that employed direct mail advertising did so in the form of mini-menus, compared to 5 percent of the limited menu operations. Independent restaurants also made use of mini-menus: 21 percent distributed miniaturized sample menus through direct mail, compared to only 6 percent of the chains.

Fullservice and independent restaurants also tend to send letters, invitations and newsletters more often than do limited menu or chain operations. Giveaways, however, have a following in both the fast food and non-fast food segments.

### Direct mail use by restaurant segment

There is a correlation between the meal cost at individual restaurants and the direct mail approach employed by them.

Restaurants with an average evening meal check size of under $5 were more likely to use coupons than those establishments with average check sizes of $8 or more, by a margin of 81 to 51 percent. The higher check restaurants, in turn, were more likely to direct mail mini-menus, calendars, letters and invitations than their less expensive counterparts. This pattern is also observable in the direct mail approaches taken by different types of non-fast food operations.

While half of the steakhouses and 65 percent of the family-style restaurants polled distributed coupons, less than 40 percent of the fine-dining establishments did so. In contrast, fine-dining places were much more likely than family-style restaurants to mail letters, invitations or newsletters. In part, these differences reflect the specific markets and objectives of quick-service, midscale and upscale establishments.

### Trying direct mail

Relatively few restaurants use direct mail and fewer still use it to communicate without a coupon or discount. Once more independent restaurateurs have investigated direct mail, they may find that it is a cost-effective means of communicating their message. ❑

## Leading forms of direct mail

*Coupons or discounts are the most popular form of direct mail*

| Format of direct mail | Percent of managers using specific types of direct mail* |
|---|---|
| Coupon or discount | 64% |
| Co-op or value pack | 20 |
| Mini-menu | 15 |
| Calendar of events or specials | 14 |
| Giveaway | 11 |
| Letter | 9 |
| Invitation | 9 |
| Newsletter | 7 |
| Postcard | 1 |
| Other | 5 |

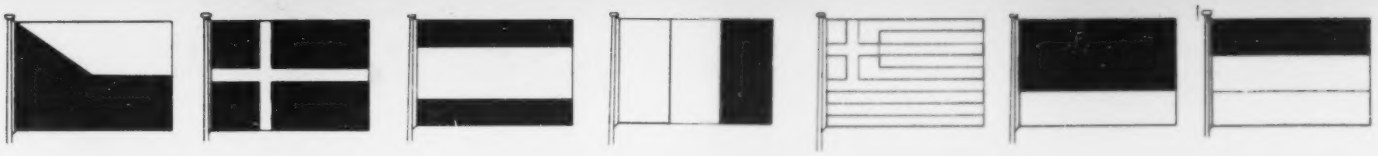
**Of managers who use direct mail advertising*
**Source:** National Restaurant Association Gallup survey, 1987

## Format of direct mail used, by evening meal check size*

*Although popular with all restaurant types, coupons are used less frequently at higher check establishments*

| Under $5.00 | | $5.00 – $7.99 | | $8.00 or more | |
|---|---|---|---|---|---|
| Coupon | 81% | Coupon | 67% | Coupon | 51% |
| Co-op | 22 | Co-op | 30 | Calendar | 24 |
| Calendar | 9 | Giveaway | 18 | Mini-menu | 22 |
| Mini-menu | 6 | Mini-menu | 15 | Letter | 16 |
| Giveaway | 3 | Invitation | 9 | Invitation | 16 |
| Letter | 3 | Calendar | 6 | Newsletter | 13 |
| Invitation | 3 | Letter | 6 | Co-op | 11 |
| Postcard | 3 | Newsletter | 3 | Giveaway | 7 |
| **Total** | **23%** | **Total** | **22%** | **Total** | **32%** |

**Of those polled who use direct mail, percent of respondents utilizing these specific forms of direct mail*
**Source:** National Restaurant Association Gallup survey, 1987



# SELLING THE EXPERIENCE

## OF BEING IN ANOTHER COUNTRY

**by Wilbur Zelinsky**

The diners at ethnic restaurants don't go just for the food. They also hunger for an exotic dining experience. Ethnic restaurants offer an effortless journey to a distant land where the waiter recites a menu of alien delights in charmingly accented English. The patrons of ethnic restaurants are gastronomic tourists.

Ethnic restaurants have become one of the hottest segments of the foodservice industry over the last decade, and recent changes in immigration patterns can only partially explain the sudden, rapid rise in their diversity and popularity. It's a global trend—ethnic foods are hot in Europe, Japan, Canada and other countries.

Overall restaurant traffic in the United States increased 10 percent between 1982 and 1986, according to the National Restaurant Association/CREST panel survey. But business increased 26 percent for Italian restaurants during those years, 43 percent for Mexican restaurants and 54 percent for Asian restaurants. Clearly, Americans are on a global eating binge.

But the implications of the trend go far beyond restaurants. A preliminary investigation of the number, type and distribution of ethnic restaurants in American cities shows that they are leading indicators of an internationalized urban culture.

As Americans have become increasingly educated and well-traveled in the past few decades, more are pursuing a variety of experiences—reaching out to other times and other places and savoring the exotic thrills of unfamiliar cultures. Ethnic restaurants are a major component of this new lifestyle. Restaurants that cater to it use their divergence from American culture as a marketing tool. More than just places that serve "ethnic" food, they offer patrons vicarious joys, vacations to faraway places without airports or baggage. They are selling the experience of being in another country.

It takes more than ethnic food, then, to make an ethnic restaurant. A Mexican cafe in an all-Mexican section of San Antonio does not qualify, unless it attracts Anglo diners. But a Mexican restaurant in Maine would qualify automatically, as would a Chinese restaurant in a Jewish suburb of Chicago. Likewise, a coffee shop in Macon, Georgia, that serves grits and sliced tomatoes with its eggs isn't ethnic to that city's residents. But if an upscale diner in the Northeast called itself "The Macon Diner" and served eggs that way, it would be celebrating America's regional differences.

### Hello central, give me ethnic

In a study of ethnic restaurant cuisines, we analyzed restaurant listings in the 1979 and 1980 Yellow Pages of the 271 largest metropolitan areas in the United States and Canada. We also scanned Philadelphia directories at 10-year intervals between 1920 and 1980 to trace the growth of ethnic restaurants' popularity and analyzed

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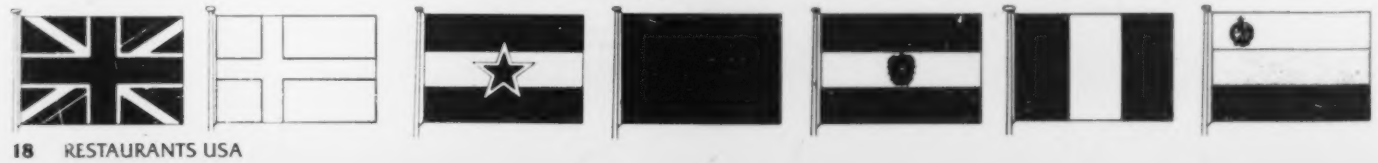

all directories for Pennsylvania to see how the trend extended into smaller towns and rural areas.

According to our subjective definition, a self-consciously ethnic restaurant will show its colors in one of three places: in its name, in its inclusion under an ethnic heading in a special section of the telephone directory or in a display ad listing the specialties of the house. The appearance of such "naturalized" items as spaghetti, onion soup, chop suey, tempura or tamales on an otherwise American menu did not necessarily confer ethnic status on a restaurant. Similarly, pizzerias were not judged ethnic unless they included a full menu of Italian items.

We assigned each restaurant to the appropriate national or regional category within seven larger categories. In order of importance, these were European, East Asian, Latin American, North American, South Asian, Middle Eastern and miscellaneous.

Surprisingly, a large proportion of places advertise two or more different cuisines, often in addition to an American menu. French and Italian, Spanish and Mexican, and Greek and Middle Eastern are among the more popular combinations, but some are positively mind-boggling, such as the Chicago cafe that characterizes itself as "Kosher & Soul" or this one from Cincinnati: "The Italian restaurant with the Spanish name hosted by the Jewish couple with the Greek partner featuring American steaks, French onion soup, Ecuadorian ceviche and Swiss fondue."

We identified more than 26,500 ethnic and regional cuisines in the 271 metropolitan areas, more than 10 percent of the total number of restaurants in those places. Our limited data from Pennsylvania indicate the rapid growth of the trend and its spread into non-metropolitan areas: Philadelphia's 253 ethnic restaurants in 1980 were double the number in 1960. We also found a substantial number of ethnic restaurants in Pennsylvania's smaller cities and towns.

New York City has the most ethnic restaurants (3,033), and one metropolitan area (Steubenville-Weirton, Ohio) has none. Do ethnic foods proliferate in America's most populous and ethnically diverse metropolitan areas? To answer this question, we controlled our results for population size, dividing the number of ethnic restaurants by the total number of restaurants in each area.

We found definite regional differences in the popularity of ethnic restaurants. If the acceptance of exotic cuisines is a leading indicator of a metropolitan area that has gone international, the process had advanced much further in some North American metropolitan areas than in others.

## The bicoastal palate

Ethnic restaurants are most common in the Northeast and West and throughout metropolitan Canada. The greatest concentration occurs in Connecticut and throughout northeastern metropolitan areas. There are fewer ethnic restaurants in the South, the Midwest or the western reaches of the Middle Atlantic states. Florida, Texas and Oklahoma are notable exceptions to this rule.

Many metropolitan areas with large ethnic populations, like Detroit, Cleveland, Gary, Johnstown, Buffalo and Utica, have relatively few ethnic restaurants. But they proliferate in metropolitan areas with large volumes of tourists, such as Washington, Ottawa, New York, Miami, New Orleans and Las Vegas. Ethnic restaurants also seem to do well in state capitals, college towns and areas that are growing rapidly.

In general, thrill-seeking North American gourmets look for menus from Eastern and Southern Asia, the Romance lands of Europe and portions of Latin America. They avoid the cuisines of the United Kingdom, Scandinavia and Germany, perhaps because they are similar to standard American fare.

With few exceptions, we found no strong relationship between the relative strength of an ethnic cuisine and the distribution of most ethnic groups. Some of the minor cuisines, such as Ukrainian, Polish, Basque, Thai, Afghan, Ethiopian or Filipino, are restricted to areas with large concentrations of immigrants. But even these—Thai and Ethiopian in particular—can grow rapidly in popularity among general restaurant clientele.

The changing characteristics of immigrants may explain the sudden rise in the diversity of ethnic offerings. In recent years, many of the half-million annual newcomers to these shores have been comparatively affluent and well-educated. Unlike earlier generations of immigrants who had to scramble up the socio-economic ladder painfully and slowly, they arrive with the skills and resources to open their own businesses. And many of the businesses they open are restaurants.

The majority of ethnic restaurants still serve European foods, but Chinese food is by far the most prevalent cuisine. Chinese restaurants accounted for 29 percent of the cuisines tallied in our study, followed by Italian (22 percent), Mexican (20 percent), French (5 percent), Continental (4.5 percent), and Japanese (4 percent) restaurants. These serve the foods that have managed to leap over ethnic and spatial barriers and burrow deeply into the Anglo palates of North America.

Chinese, Italian and Mexican restaurants accounted for over 70 percent of all ethnic restaurants in this study, and more recent surveys by Gallup and the National Restaurant Association confirm this pattern. Obviously, many of the owners of these restaurants have only a commercial interest in the countries they promote.

Mexican restaurants have developed in strength within the past two decades. Mexican food is hurtling northward and eastward at a rapid pace, thanks in part to some aggressive franchisers. By 1990 Mexican restaurants probably will be common in the Southeast and far Northeast, where they are still rare today.

## Future opportunities

Studies like this one hint at future opportunities for the restaurant industry. There are few restaurants that serve the marvelous diversity of regional Mexican cuisines, for example, and even fewer that emphasize the exciting cuisines of eastern and southeastern Europe. In 1980, for example, there were no Bulgarian restaurants in metropolitan North America. ❑

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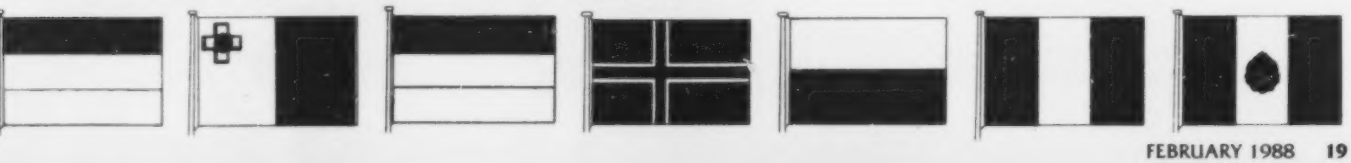

# THE CUISINE

Clinging to the edge of the Iberian Peninsula, washed by the waves of the Atlantic and isolated from Spain by rugged mountains lies Portugal, home of a robust, inventive cookery that deserves a place among the ethnic cuisines so popular today.

It might be taken for granted that this small country, only 360 miles long by 140 miles wide, would have a cuisine nearly identical to that of Spain, its much larger neighbor. But aside from sharing the flavors of tomatoes, garlic and olive oil, the two cuisines are very distinct. Chef Jasper White of Boston's Restaurant Jasper, who says he's always been a fan of Portuguese cuisine, considers it "one of the best in Europe—robust, with lots of flavor. It's very individual, different from Spanish or Italian." He often features Portuguese-inspired dishes on his menus.

## Innovative harmonies

The cooking of Portugal is basically simple, a food of the people that varies abruptly within the distance of a few miles, along with the climate, terrain and produce. In concert with that variety, Portuguese cooks have composed innovative harmonies of foods and flavors, such as marinated pork with clams or a soup of shrimp and eggs in a garlicky broth thickened with crumbled dry bread. It is this inventiveness that intrigues chefs like White and food and travel writer Jean Anderson, who in 1986 published the first major cookbook in English devoted to Portuguese cuisine, *The Food of Portugal* (William Morrow and Co., Inc., New York, NY).

The exploration of Portuguese mariners in the 16th century enriched their homeland's cuisine. The ships returned laden with the spices of the East (curry, cinnamon, cloves, nutmeg and pepper), rice and tea. From the New World came pineapples, peppers, tomatoes and potatoes; from Africa, coffee, broad beans and peanuts.

As they do today, Portuguese fishermen ventured to the Grand Banks off Newfoundland to fish for *bacalhau* (cod) as early as 1500. They developed a method of salting their catch so that it could be kept for months. Bacalhau is a staple in the modern Portuguese kitchen, and it is prepared in many ways—baked, poached, broiled, fried, sauced or made into codfish cakes. In fact, it is said that the Portuguese have as many recipes for salt cod as there are days of the year. Of course, as befits a country bordering the ocean and threaded with rivers, fresh fish and shellfish hold a prominent place on the table. Portugal is not known for choice beef, but rather for pork, chicken, rabbit and kid. The country's cheeses are most often made of sheep or goat's milk, and can rival the best of France.

## Cabbage and sausage

While the Portuguese eat few salads and generally give short shrift to vegetables, cabbage is one vegetable they prize highly, especially a deep green, non-heading variety much like kale. The soup made with this cabbage, *caldo verde*, or green soup, is virtually a national dish. Green soup is a soul-satisfying brew composed of slightly mashed potatoes and shredded cabbage in broth accented with a garlicky sausage called chourico. "When nice kale comes into the kitchen, that's the first thing I make," White says. Like the andouille sausage popularized by Cajun cooking, chourico and linguica are highly spiced, garlicky pork sausages found in the Portuguese kitchen. They are also produced in the United States in the Portuguese-American communities on the East and West Coasts.

In her book, Anderson catalogs the herbs, spices and flavorings Portuguese cooks rely on most heavily. Perhaps the most important of these is fresh coriander, whose lemony-nutty essence enhances soups, stews, vegetables and rice. Other essentials are almonds, bay leaves, cinnamon, curry, garlic, lemon, mint, olive oil, olives, onions, oranges, hot and sweet paprika, parsley, saffron and sweet red peppers (pimentos). Piri-piri oil, made with an incendiary red pepper from the former Portuguese colony of Angola, frequently appears on tables as a condiment. *Massa de pimentao*, a paste made of roasted sweet red peppers, crushed garlic and olive oil, is commonly used as a dry marinade for meats in the Baixo Alentejo province. Tomato, vinegar and dry wine are other frequently employed flavorings.

Portuguese desserts tend toward excruciatingly sweet and rich egg confections, believed to have been introduced by the Moors. *Pudim flan*, a caramel custard sometimes flavored with port, is a national favorite.

## A 'gutsy and robust' cuisine

Chef White, one of the standard-bearers of contemporary American cooking, borrows from the cuisines of many nations. He believes interest in ethnic foods is a continuing phenomenon. "Everybody's looking for something new—or new to another market," he says.

White likes Portuguese cuisine because it is "gutsy and robust" and offers intriguing combinations "like the pork and clams. It's an unbelievable combination of flavors, but it works very well." This blending of ingredients was said to have originated during the Inquisition, when eating pork and shellfish, both forbidden to Jews and Moslems, was seen as a

**by Joanna E. McQuillan**

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# OF PORTUGAL

proof of Christian conviction. In *Porco a Alentejana*, a Portuguese version of surf and turf from the Baixo Alentejo province, pork is marinated in wine and seasonings, then stewed and combined with sweet, thin-shelled clams for a hearty, satisfying entree. Inspired by the combination, White created his own interpretation for an appetizer: a pork rib chop and clams served with a robust garlic sauce on linguine.

White, who has never visited Portugal, has learned about the country's cuisine from fine Portuguese chefs he has worked with and in the small Portuguese restaurants that abound in New England.

### Portuguese-American favorites

Many Portuguese who emigrated to the United States settled in New England communities, such as New Bedford and Fall River, Massachusetts, where they found ready work aboard fishing boats or in textile mills. They brought their hearty cuisine with them—from Madeira, the Azores Islands and the mainland.

At small restaurants like Tabacaria Açoreana in Fall River and Cafe Portugal in New Bedford, Portuguese-Americans and adventurous diners find their favorites: *bacalhau* with potatoes, eggs and onions; *carne d'espeto* (marinated, grilled beef "on a spit") and *porco à alentejana*.

As the melancholy *fado* (songs of fate) play softly, waiters bring platters heaped with *ameijoas a bulhão pato*, littleneck clams steamed in beer and their own juices with olive oil, lemon and plenty of garlic. A basket of crusty rolls stands ready for dipping into the zesty sauce.

In dining rooms accented with stucco, tile and wrought iron, diners feel they have been transported to a *tasco* (bistro) in Portugal. The feeling intensifies as the entrees are set before them: *espetada mista*, a mixed skewer of marinated beef, pork loin and spicy linguica sausage or *codornizes à regional*, split sauteed quail, crisp-skinned and delicious in a subtly spiced, mahogany-hued sauce. Typically, these dishes are accompanied by rice pilaf and fried potatoes; Portuguese cooks may serve as many as four starches at a meal. ❑

## GREEN SOUP (CALDO VERDE)

*Serves 6 to 8*

*Ingredients:*
1 large yellow onion, peeled and minced fine
1 large garlic clove, peeled and minced
4 Tbs. olive oil
6 large Maine or Eastern potatoes, peeled and sliced thin
8 qts. cold water
6 ozs. chourico, chorizo, linguica, pepperoni, or other dry garlicky sausage, sliced thin
2½ tspn. salt (about)
¼ tspn. freshly ground black pepper
1 lb. kale, collards or turnip greens, washed, trimmed of coarse stems and veins, then sliced filament-thin. (Stack 6 to 8 leaves, roll crosswise into a tight roll, then slice with a very sharp knife.)

*Method:*
Saute onion and garlic in 3 Tbs. of oil in a large, heavy saucepan 2 to 3 minutes over moderate heat until they begin to color and turn glassy; do not brown or they will turn bitter. Add potatoes and saute, stirring constantly, 2 to 3 minutes, until they begin to color also. Add water, cover and boil gently over moderate heat 20 to 25 minutes until potatoes are mushy. Meanwhile, fry sausage in a medium-sized heavy skillet over low heat 10 to 12 minutes until most of the fat has cooked out; drain well and reserve.

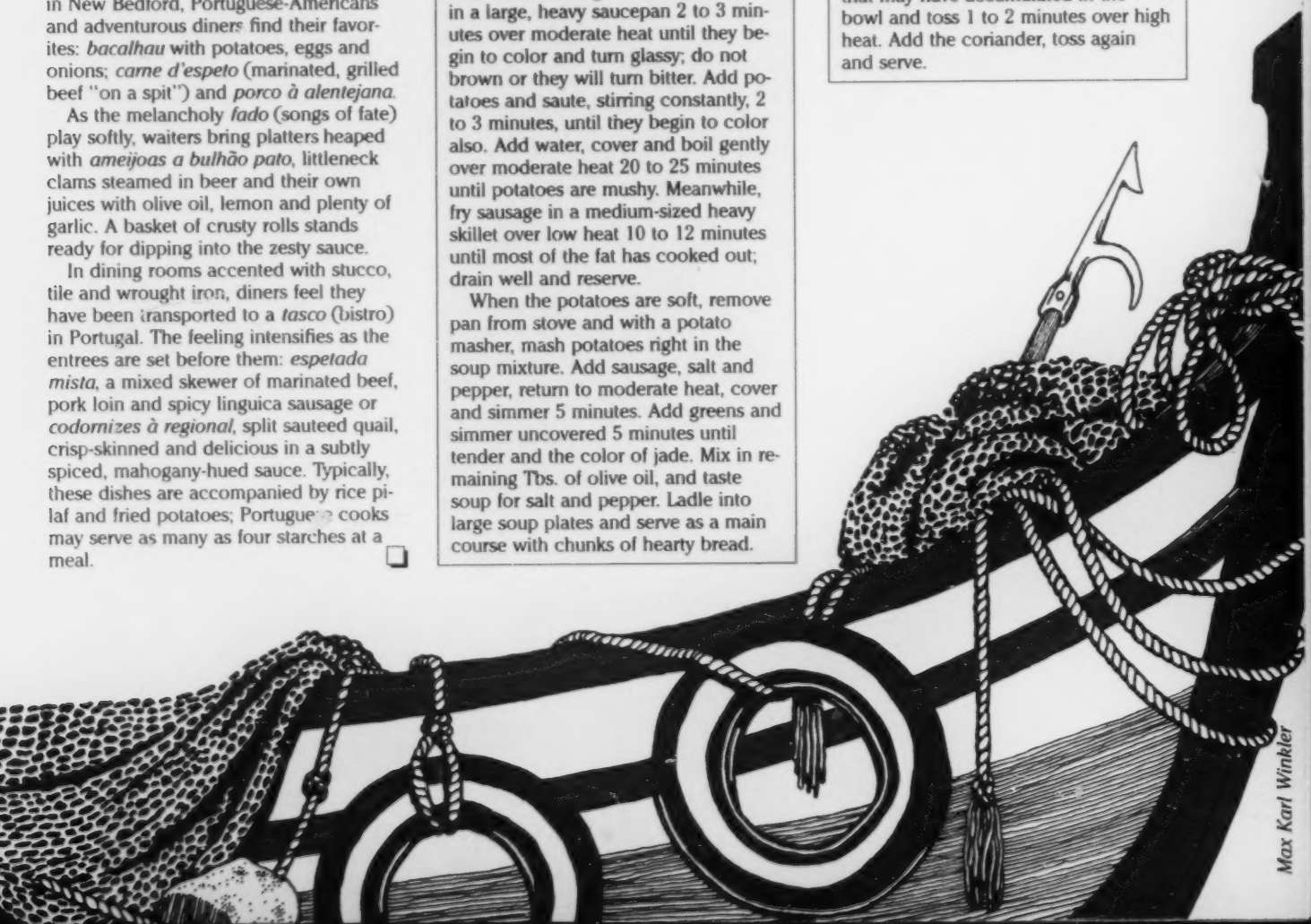
When the potatoes are soft, remove pan from stove and with a potato masher, mash potatoes right in the soup mixture. Add sausage, salt and pepper, return to moderate heat, cover and simmer 5 minutes. Add greens and simmer uncovered 5 minutes until tender and the color of jade. Mix in remaining Tbs. of olive oil, and taste soup for salt and pepper. Ladle into large soup plates and serve as a main course with chunks of hearty bread.

## SCALLOPS ALGARVE-STYLE (VIEIRAS Á MODA DO ALGARVE)

*Serves 4*

*Ingredients:*
1 lb. bay scallops
2 medium garlic cloves, peeled and minced
4 tspn. olive oil
1 Tbs. lemon juice
¼ tspn. cayenne pepper
¼ cup freshly minced coriander

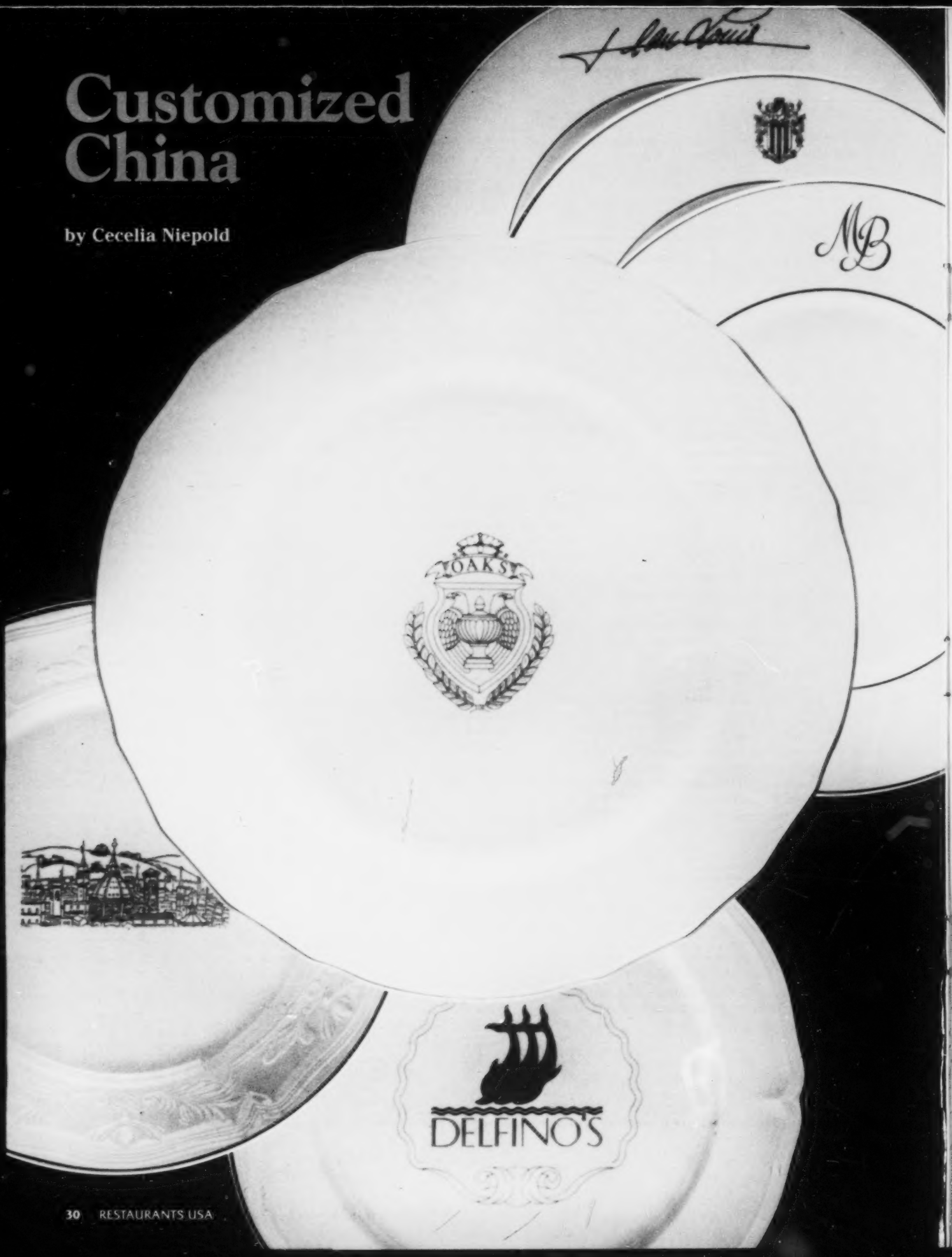
*Method:*
Stir-fry scallops and garlic in oil in a large, heavy skillet over high heat 3 to 4 minutes—just until they begin to color and have released their juices. With a slotted spoon, lift the scallops to a bowl and reserve. Add lemon juice and cayenne to skillet and boil with scallop juices about 2 minutes, until reduced to a glaze. Return scallops to skillet, together with any juices that may have accumulated in the bowl and toss 1 to 2 minutes over high heat. Add the coriander, toss again and serve.



Max Karl Winkler

# Customized China

by Cecelia Niepold



High in the hills of the rocky Amalfi Coast in southern Italy, Marco Pierro Cantarella is helping faraway American restaurants add a personal touch to their tables. His exports are not delectable Italian edibles, but delicate Italian pieces of pottery. Cantarella, working from logos, menus and sketches shipped to him from the states, designs customized placesettings for restaurants.

The trend toward personalized china is not just affecting small exporters, such as Cantarella, however. China manufacturers much closer to home are noticing the movement as well. "Customized china is a really growing trend," says Richard Walls, product development director at Villeroy & Boch in New York City. "We've created a separate department just to handle it." Buffalo China in Buffalo, New York, has also marked an upswing in custom orders. "It seems to be a reflection of the only major trend we can pinpoint in the china business today—the desire to look different," says Ed Wonder, Buffalo China's director of design.

Irving Mills, executive director of the American Restaurant China Council, Inc. in Sonoma, California, believes that standing out from the crowd is only one factor fueling the growth of customized china. "More and more restaurateurs are beginning to buy china as packaging," explains Mills. "They are starting to think of china as a point-of-purchase display that markets the promise of the whole restaurant."

Restaurant designers, too, are beginning to pay more attention to tableware's place in the overall design of a restaurant. "More designers are moving into the specifications of table tops," explains Walls of Villeroy & Boch. "They are realizing that once patrons sit down, their focus changes—they look at the table. It is as important as the room's decor and furniture."

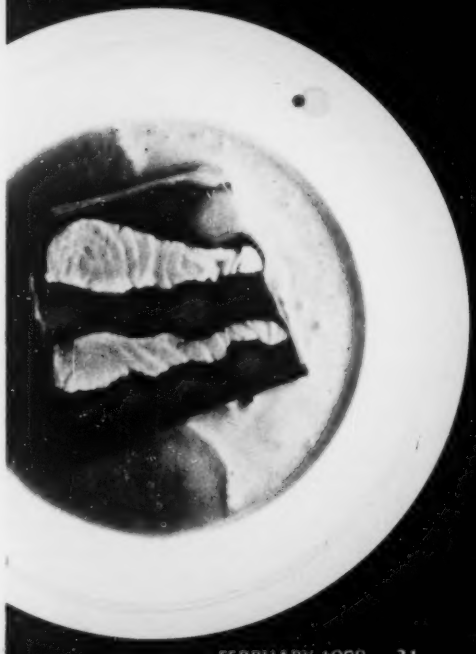
## Different avenues of expression

□ **Adapting logo design.** One of the most common ways operators are personalizing their china is by using their logo as a primary design element. They are not just stamping their logo in the center or on the rim of their plates, however. Instead, they are using logos to give plates an unique flavor. For instance, I Tre Merli, a northern Italian restaurant in New York City, uses its logo-emblazoned pottery judiciously. Plates with the restaurant's signature three black birds and bright yellow-and-black stripes are used primarily to showcase house specialties. The restaurant has also commissioned carafes with the logo to highlight its wines, which are produced in Italy specifically for the restaurant. "Because our wine bottles also have the logo on them, the carafes help tie the two together," explains owner Paolo Secondo. The plates, even though not used for every dish, have not been overlooked by patrons. Many customers comment on them, and one patron has even ordered 12 pieces of the I Tre Merli design to use at home.

Although creating an entirely new look can be appealing, a restaurant logo can be incorporated into an existing china pattern. At the Restaurant de la Tour Eiffel in New Orleans, for instance, the owners chose an elegant maroon-and-gray Villeroy & Boch pattern as the basis for their china and added their logo at the top of the plate. The Eiffel Tower logo, surrounded by American and French flags, blends perfectly with the delicate, script border and creates a personalized look.

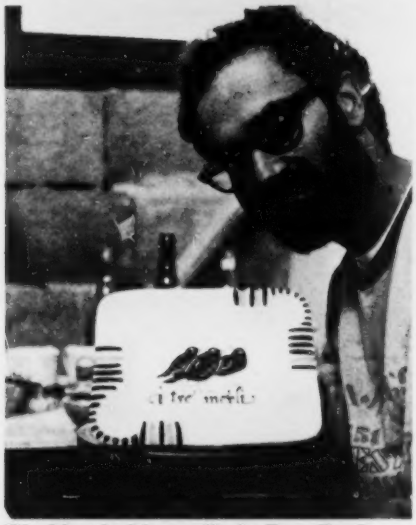
□ **Complementing design motif.** Other restaurateurs are using their plates as design accents, developing tableware that either complements the overall look of their operation or reflects a particular design element. For instance, when the Willard Hotel in Washington, DC, was undergoing renovation last year, workers discovered the original mosaic tile floor, complete with colorful, elegant "Ws" spread throughout. Believing that the mosaics were crucial to recreating the overall look of the hotel, management restored the floor, and the mosaic "W" pattern was also repeated on the hotel's dining room plates. Edged in gold, the large service plates

The Willard's placesettings recreate the hotel's distinctive, mosaic floor tiles.



Aurora's china echos its swirling "planets" decor.

*Cecelia Niepold is managing editor of* **Restaurants USA**.



**Working in his studio in Ravello, Italy, Marco Pierro Cantarella puts the finishing touches on tableware for I Tre Merli.**

contain the red-and-pink, old English-looking "W" surrounded by two green-leafed branches and a yellow background. The entire design has an almost "cracked" look to emulate the tile floors. The customized plates are the only other representation of the striking floor pattern in the restaurant.

When Milton Glazier, well-known graphic designer, helped design the Aurora restaurant in New York City, he also incorporated the tableware into the overall design theme. Because a major design element in the restaurant is the almost Saturn-looking planets dotting the ceiling and carpet, Glazier extended that look to the plates. The pastel-colored planets swirl around the edge of the plates in shades of mauve, sea foam green, peach and turquoise.

□ **Echoing theme.** Customized plates are also being used to personify restaurants' culinary themes. Les Saisons, the fine-dining room in the new Fairmont Hotel in San Jose, California, for instance, extended its seasonal theme to its tableware. Five different patterns were created for the restaurant, one for each season and one for the service plate which incorporates all the seasonal elements into one design. Explains designer Richard Walls: "The company wanted us to create a design that would showcase each item differently during the four seasons." The artwork circles the plates' rims and is very simple, from delicate pink and yellow flowers for the spring tableware to rust, red and brown leaves and acorns for the fall plates.

□ **Creating graphic treatments.** Some restaurants are going one step further and creating plate designs that are individualized, imaginative graphic designs. They may not necessarily reflect a logo, decor or theme because the goal is simply to offer customers an unusual plate that makes a statement.

Lee and Larry LeRuth, co-owners/chefs of LeRuth's in New Orleans, thought long and hard about how they could communicate their restaurant through their plates in a different way. They finally decided that because they played such a large role in the restaurant, what could be more appropriate than a picture of themselves on the plates? Consequently, the black-and-white service plates feature the brothers coming out of the door of the restaurant along with an almost floating glass of wine tipped toward the viewer. Concentric platinum rings surround the art, giving the plate an almost surreal look. "We wanted the plates to have a welcoming look, to say, 'come visit LeRuth's,'" explains Lee LeRuth. The plates seem to be succeeding. "Most people like them and comment about the design," says LeRuth. "We sell about one or two a month to interested patrons."

## A few cautions

Because customized china can be expensive and also take longer to produce, there are some factors to consider before ordering new placesettings. First of all, you must think about how you are going to use customized china. As Richard Walls of Villeroy & Boch says, "No matter how beautiful china is, it is still equipment and has to be functional." Factors to think about are how much wear and tear the china will experience, how durable it must be and how it will be stacked. Stacking is particularly important because designs can be scratched if plates rub too closely together.

As a result, many restaurants are using customized china as show plates, presenting them on the table, but not actually serving food on them. That way, they can produce spectacular designs and not worry as much about the plates getting ruined or broken.

Another factor to consider is how the china design will work with entree presentations. "Plates and food should be considered together, they go hand in hand," reminds Irving Mills. If you want simple serving plates, but also want to create a memorable tablesetting, perhaps choosing two complementary patterns would work best. One to make a statement when customers are first seated, and the other to echo the first plate in a more simple way.

## In sum

As restaurateurs increasingly look for ways to individualize their restaurants, customized china may become even more popular. ❑

# FIVE WAYS TO HELP CUSTOMERS HELP THEMSELVES AT SELF-SERVE COUNTERS

Utensils disappearing into food tubs and foods spilling on counters or sticking to serving utensils are commonplace problems self-serve operations can avoid. All it takes is rethinking the counter setup, the service required and the way to tell customers about policies and procedures.

**by Robert Sommer and Maria Rotter**

For restaurants across the country, this is the self-service decade. The past 10 years have brought an abundance of salad bars, potato bars, hamburger bars, buffet brunches, country barbecues, pasta and burrito bars, ice cream sundae bars, smorgasbord restaurants and seafood buffets. The self-serve concept is not new, of course. There is ample precedent in the smorgasbord and buffet. What is new is its spread to many different types of restaurants and settings, and the enormous variety of foods offered.

For the past three years, we have studied consumer behavior in self-serve restaurants. During our research, we identified problems in relation to food type, equipment and utensils, supervision, signs and instructions and need for prompt action. These points are covered here.

*Robert Sommer is professor and director of the Center of Consumer Research at the University of California at Davis, and Maria Rotter is research associate at Tragon Corporation, a food marketing firm in Redwood City, California*

1 **Food type.** We found that some foods are suitable for self-serve under most conditions, others are suitable if their special characteristics are recognized and a few foods seem unsuitable for self-serve under most circumstances. Hot, stringy cheese is an item to avoid. In our studies we found it prevented easy retrieval of pizza slices and, when used as a cheese sauce, caused tortilla and taco shells to stick together. Spaghetti can be a difficult item to retrieve under the best conditions, i.e., at home with the plate set down on the table, two utensils and plenty of time. In a crowded line with people waiting, a single utensil and no ledge on which to set down plates, we found it was a disaster. But when an employee served the spaghetti and the customers added self-serve sauces, problems were avoided.

Certain viscous items, such as sour cream, refried beans and mashed potatoes, have a tendency to adhere to serving spoons. These difficulties increased the likelihood of hand retrieval, spillage or borrowing a second utensil from an adjacent tub.

Our observations of refried bean problems resulted in an accidental discovery. Beans in one restaurant were lukewarm, and customers had great difficulty in removing them from the serving spoon, banging the spoon on the counter and sometimes using fingers. In another outlet of the same chain the problems did not exist because the beans were bubbly hot and came off the spoon easily.

2 **Equipment and utensils.** Most food shields are well-designed and caused no problems. In a few restaurants poorly designed food shields obscured visibility and were responsible for frequent spills.

Utensils were not always tailored to the specific food offered, and often a single model spoon was inappropriately used for all food items. For example, we observed that some plastic spoons, which worked well with lettuce, tomatoes and many other salad bar condiments, became virtual magnets for grated cheese.

Some of the published recommendations for salad bar layout based strictly on cost considerations appear short-sighted. Among these, we would include calls for distant high-sided containers and small utensils for expensive items, and cheese blocks which make it difficult for customers to obtain large portions. Trying to retrieve an item such as olives from a remote high-sided container with an undesigned spoon is a sure prescription for spillage, which means undesirable aesthetics, increased labor costs in cleanup and wasted food. Oversized utensils also can cause spills and can result in customers returning excess portions from their plates back into trays.

Our observations raised serious questions about the appropriateness of young children serving themselves at counters with equipment designed for adults. It is one thing for a parent to serve a child in line and another for young children to be turned loose to forage for themselves. During our research, we did not come across a single food counter sign indicating a minimum age or height requirement.

3 **Supervision.** A self-serve counter cannot be expected to run itself. Problems are inevitable when supervision is lax. Employees must realize the effects of their conduct on customers. If they touch food with their hands, customers may be encouraged to do likewise. Many of the procedures used backstage in the kitchen need to be revamped when performed in public view.

Employees cannot regulate their inspections of the counter strictly by the clock, emerging every 20 minutes to check if refills are needed. This strategy is not appropriate in a situation where spoons can mysteriously disappear into tubs and spills are a possibility. A utensil missing for 15 minutes during peak hours can be a mini-disaster, slowing down the serving line and causing utensils to be shared among tubs or worse—food retrieved with fingers.

Spills are inevitable and mess begets mess. If spills are not cleaned up promptly, customers become careless about their own behavior. The best self-service restaurant we came across always had at least one employee behind the counter (although customers helped themselves), and the manager appeared frequently to see that things ran smoothly.

4 **Signs and labels.** It is very important to label salad dressings. Ranch and blue cheese, for example, look so much alike that some customers will taste them with their fingers before putting them on the salad if they don't know which is which.

When equipment is used at the self-serve counter that may be unfamiliar to customers, such as soft ice cream machines or pump dispensers for dessert toppings, steps should be taken to make usage easier. For example, because the location of the release mechanism for the ice machine may not be obvious, it should be marked.

For some items, personal experience in home settings may be counterproductive at a self-service counter. Carrot sticks, cherry tomatoes and celery sticks are typically finger foods at home. Signs in a restaurant can remind customers to use utensils. No guest in a private home would request a new plate for seconds, yet health regulations in many communities require this. It is not surprising that this rule is typically disregarded. Posted signs will also make it much easier for employees to enforce health regulations.

5 **Need for prompt action.** Little problems are likely to become big problems and aesthetic problems to become health problems if not solved quickly. A missing utensil is a small matter not uncommon at a large self-serve counter. Typically, it is the result of a spoon sliding into the food tray or being borrowed by customers for use in adjacent tubs. Missing or messy utensils will encourage hand retrieval of food. For 45 minutes we observed customers in a pizza bar retrieving garlic bread by hand because there were no tongs.

Metal utensils placed under infrared lights become hot. This will come as a rude surprise to customers. Secondary results can be dropped utensils and food retrieved by hand, both of which have health implications.

## In conclusion

These are illustrations of problems that begin as matters of aesthetics but have the potential to become health problems. ❑

# Wellness programs—new direction for U.S. health care?

Employees in the U.S. Senate are doing it, and so are cafeteria workers, residents of New Mexico, assembly line workers and labor union members. What these diverse groups are doing is participating in wellness programs. And the result has been increased morale and productivity, decreased turnover and absenteeism, and lower medical costs.

Wellness programs are a fringe benefit of the 1980s. Their goals are to prevent disease development and promote good health. Unlike other health programs that go into effect once an individual develops a chronic or debilitating disease, wellness programs intervene in healthy populations to reduce or eliminate the risk factors that eventually compromise health or result in premature death. These programs usually concentrate on behavior modification associated with smoking, stress management, diet and fitness.

The wellness approach to health care is growing, and the biggest reason why is that it pays. Three of the four leading causes of death in the United States are lifestyle-related, and it is estimated that a comprehensive national health promotion system could save more than $1 billion in health care expenditures, not only by keeping patients healthy, but also by instilling a sense of self-care that could result in fewer unnecessary visits to doctors' offices.

## Types of programs

Because wellness programs are a relatively new concept, they vary greatly in scope and size. Some are motivational in nature, consisting of lectures and printed materials, while others include extensive physical evaluations, fitness facilities and access to a comprehensive staff that includes physicians, exercise physiologists and nutritionists. Regardless of the differences, however, the objective remains the same—to keep participants well. And most wellness programs focus on the same general issues—nutrition and weight control; exercise and physical fitness, combatting cigarette smoking, alcohol abuse and drug abuse; and stress reduction/modification.

The types of programs depend on sponsorship or location. Wellness plans are run by private corporations, sponsored by employers or provided by a community. Employers offering wellness program participation either turn to health clubs or develop an in-house wellness center. These programs can offer comprehensive services, including fitness facilities, physicals and diet counseling, or they can simply screen employees for heart disease.

Employees benefit from these programs, but so do the providers. In addition to the financial and productive benefits, worksite wellness programs generate a positive corporate image in the business arena, in the community, for visitors and for prospective employees, which can make recruitment easier.

Motivated individuals whose employers do not sponsor wellness programs have other opportunities to join wellness plans. Private plans developed through medical centers, hospitals or health clubs offer a wide range of services on a fee basis. More community-based programs are cropping up across the country. Local municipalities or community organizations are developing "self help" wellness activities for local citizens.

## Implications for operators

The impact of wellness programs may be felt by foodservice operators in several ways. As employers, they can implement a wellness program as an employee benefit. Of course, the size and scope will depend on the restaurateur's resources. Free blood pressure screening or subsidization of health club memberships may be appropriate. If space is available on-premises, exercise classes could be offered a few times weekly, led by an aerobic instructor or a qualified staff member.

Managers of corporate foodservice facilities may be asked to participate in the company-sponsored wellness program. Some have added low sodium cheese and other salt-free seasonings to their salad bars. Others have modified selections to comply with U.S. Dietary Guidelines or posted the caloric and sodium content of their cafeteria foods.

Independent operators, too, can become involved by working with a private or community-based wellness program. These groups are often staff dietitians who are willing to work with restaurateurs to identify menu items appropriate for program participants. A Denver-based private wellness center initiated a restaurant component as the number of "alumni," who frequently dine out, swelled. The program's dietitians developed restaurant guidelines and worked with local operators to incorporate approved foods on the menu.

*—Claire Regan, R.D.*

## President Ford addresses Board

One of the highlights of the Winter Board meeting, held January 16-20, was a discussion of the need for congressional reform by President Gerald Ford at a meeting honoring key association political action committee (PAC) donors and the PAC advisory committee and trustees.

After being introduced by PAC Chairman Ralph Brennan (Mr. B's and Commander's Palace; New Orleans, LA) and association President Michael Grisanti (Grisanti, Inc.; Louisville, KY), Ford emphasized the importance of congressional reform. "The need for congressional reform tells us we are not being well-served by a Congress that is too bogged down in its own details, to get the job done right," said Ford. "If you as restaurant operators ran your businesses as poorly as Congress manages the federal budget, you would all be out of business," he continued.

**Former President Gerald Ford discusses the need for congressional reform at Board meeting.**

President Ford also emphasized the importance of grassroots political involvement. "Your involvement as independent businessmen in efforts like your political action committee will do a lot to change the bleak picture of the federal legislature right now," maintained Ford.

Besides discussing politics, Ford proudly recounted his early career as a dishwasher, chef and counter operator.

## Association directors meet with Mexican restaurant association

National Restaurant Association Directors Jackie B. Trujillo (Harman Management Corporation; Los Altos, CA), and Florence P. Jaramillo (Restaraunte Rancho de Chimayo; Chimayo, NM), recently attended a meeting of the Association Mexicana de Restaurantes (AMR) A.C. in Mexico City, Mexico, to discuss ways in which the two associations could work together to strengthen foodservice in both countries.

**Association Directors Jackie B. Trujillo (second from left) and Florence P. Jaramillo (second from right) with incoming AMR president Jorge Fernandez (far left) and outgoing AMR president Joaquin Vargas (far right).**

## NAFEM honors Grisanti

National Restaurant Association Chairman of the Board and President Michael J. Grisanti was recently honored by the National Association of Food Equipment Manufacturers (NAFEM) as a recipient of the Doctorate of Food Service medallion, awarded in recognition of outstanding industry professionalism.

## Conti elected CIA chairman of the board

Walter Conti, chairman of Conti Cross Keys Inn, Doylestown, Pennsylvania, and past president of the National Restaurant Association, has been elected to a one-year term as chairman of the board of the Culinary Institute of America (CIA).

Conti has served as a trustee of the institute since 1984 and is a past president of Pennsylvania State University's Board of Trustees. In 1982 he was recognized as the Hospitality Executive of the Year by the Penn State Hotel and Restaurant Society, and in 1983 he received IFMA's coveted Silver and Gold Plate Award.

In addition to the presidency of the National Restaurant Association, an office he held in 1981, Conti is a past president of the Pennsylvania Restaurant Association.

Other National Restaurant Association board members elected to the Culinary Institute's board of trustees include: association treasurer Harris "Bud" Rusitzky, Serv-Rite Food Service Consulting Corp., elected for a three-year term as trustee emeritus; and association honorary director H. Jerome "Jerry" Berns, 21 Club, Inc., elected to a life term as trustee emeritus.

*—Anne Papa*

# Restaurant advertising on the rise

*In a 1987 National Restaurant Association Gallup survey, managers from various types of restaurants were asked what forms of advertising or promotions they employed and to what extent.*

In recent years, advertising has become increasingly important to restaurants as operators turn to marketing-oriented growth strategies to increase their market share. The result has been a dramatic growth in restaurant advertising dollars—up 170 percent over the last 10 years, according to Leading National Advertisers.

## Advertising budgets to continue to increase

The increased usage of advertising and promotion appears likely to continue based on the results of a 1987 National Restaurant Association Gallup survey. Approximately one-quarter of all restaurants polled expect to increase their advertising and promotion budgets in 1988, with more than 12 percent planning a spending increase of 6 percent or more.

Tempering this increase, the majority of establishments, 58 percent, plan no change in their advertising and promotion budgets. This suggests that many restaurateurs are cautious about advertising outlays. Still, by a margin of 25 to 4 percent, more restaurants expect budget increases than decreases.

The restaurants that plan to expand their advertising and promotional budgets tend to be chains, fast food places and establishments with high average daily customer counts—the same types of restaurants that are most likely to advertise in the first place. More than 40 percent of the chain/franchised independent restaurants are planning advertising budget increases for 1988, compared to only 21 percent of the independents. Independent restaurants are also more likely than chains to hold their budgets steady, by a margin of 63 to 41 percent.

## Newspapers most popular form of advertising

Of the restaurant managers polled in the association's Gallup survey, 70 percent used newspapers to promote their establishments, and nearly 30 percent did so on a regular basis, making this communications medium the most popular form of restaurant advertising. The next most popular form of restaurant advertising in 1987 was the sponsorship of a community event: Just less than 60 percent of the survey respondents promoted their operations in this manner. Eighteen percent sponsored community events regularly.

The next most popular forms of restaurant advertising were sponsorship of a team, radio ads and handouts and fliers. Forty-eight percent of all restaurants surveyed sponsored a team in the past year. Radio advertising and the use of handouts or fliers followed closely behind. Sponsorships of teams and community events had the same percentage of regular users; community event sponsorship, however, drew a greater percentage of occasional users.

The least-used form of advertising was television, not a surprise considering its high cost. Magazine advertising and direct mail, which include mailings of coupons, newsletters and mini-menus, were also less popular forms of advertising. Less than 25 percent of the managers polled reported having used these methods.

Billboard or outdoor advertising is the only reported promotional method that has similar percentages of regular and occasional users. Overall, 28 percent of the respondents made use of outdoor advertising.

## Who uses what

Certain types of establishments tend to employ certain types of advertising. Generally, average per-person check size, daily customer count, structure of ownership and type of restaurant are related to the types of advertising used regularly. Newspaper advertising, for example, tends to be used more often by chains, non-fast food operations, especially fine dining restaurants, and restaurants with higher daily customer counts. Also, dining spots with average per-person checks of more than $8 are more likely to use newspapers regularly than are other types of restaurants. Still, it is important to note that newspaper advertising ranks first among all types of restaurants.

Among regular users of sponsorships, whether of teams or of community

### Use of advertising by all restaurant managers

*Newspapers are the most popular form of advertising for restaurants*

| Type of advertising | Total percent using | Used regularly | Used occasionally | Not used at all |
|---|---|---|---|---|
| Newspapers | 70% | 29% | 41% | 29% |
| Sponsorship of community events | 59 | 18 | 41 | 40 |
| Sponsorship of teams | 48 | 18 | 30 | 51 |
| Radio | 43 | 14 | 29 | 56 |
| Handouts/fliers | 42 | 15 | 27 | 57 |
| Restaurant guides | 33 | 11 | 22 | 65 |
| Outdoor advertising | 28 | 15 | 13 | 71 |
| Direct mail | 24 | 8 | 16 | 75 |
| Magazines | 21 | 4 | 17 | 78 |
| Television | 16 | 5 | 11 | 83 |

**Source:** National Restaurant Association Gallup survey, 1987

## Types of advertising used regularly

*Advertising methods vary by restaurant type and average check size*

| | Total percent using | Ownership: Chains/ franchised | Ownership: independents | Restaurant type: Fast food | Restaurant type: Non-fast food | Average check size: Under $5.00 | Average check size: $5.00-$7.99 | Average check size: $8.00 or more |
|---|---|---|---|---|---|---|---|---|
| Newspapers | 29% | 44% | 25% | 22% | 32% | 26% | 30% | 43% |
| Sponsorship of community events | 18 | 19 | 17 | 15 | 19 | 21 | 15 | 21 |
| Sponsorship of teams | 18 | 13 | 19 | 16 | 19 | 18 | 20 | 21 |
| Handouts/fliers | 15 | 28 | 11 | 22 | 11 | 18 | 13 | 13 |
| Outdoor advertising | 15 | 24 | 13 | 14 | 16 | 18 | 20 | 14 |
| Radio | 14 | 31 | 10 | 19 | 12 | 18 | 15 | 14 |
| Restaurant guides | 11 | 8 | 13 | 4 | 14 | 5 | 11 | 21 |
| Direct mail | 8 | 19 | 5 | 13 | 6 | 7 | 9 | 9 |
| Television | 5 | 18 | 2 | 8 | 4 | 7 | 7 | 6 |
| Magazines | 4 | 2 | 5 | 2 | 5 | 2 | 3 | 10 |

**Source:** National Restaurant Association Gallup survey, 1987

events, no particular differentiation by restaurant type is apparent. Operations with higher daily customer counts, however, tend to sponsor community events to a greater degree than do those with lower traffic volumes. In addition, independents are more likely than chains to sponsor teams, possibly reflecting the closer ties these operations have to their communities. Handouts, direct mail, radio and television ads are used most by chains and fast food restaurants on a regular basis. In fact, the percentage of chains regularly using radio advertising was three times that for independents. The proportion of chains using direct mail regularly was nearly 20 percent, compared to 5 percent for independents, and television was used by 18 percent of chain operations versus 2 percent of the independents.

In contrast, restaurant guides and magazine advertising are more likely to be used on a regular basis by independents, non-fast food establishments and more expensive establishments. Among the fine dining restaurants polled, restaurant guides were the second most regularly used promotional vehicle. The percentage of fine dining operations that were regular advertisers in magazines was three times the average for all restaurants. This pattern is also seen in the percentage of higher versus lower-check restaurants that use magazines to promote their establishments: Just 2 percent of the restaurants with average per person checks of under $5 used magazine ads compared to 10 percent of eating places with a check size of $8 or more.

In large part, these differences in advertising approaches reflect differing objectives. While chain and fast food places may have many units in a large market area and cut across wide demographic lines, midscale and upscale independents tend to be more interested in specific markets. The result is that many higher-check, independent restaurants shun the more broadly targeting advertising vehicles, opting instead for promotional activities geared specifically toward their customer base.

For upscale establishments, these advertising approaches include newspapers, restaurant guides and sponsorships. Chain restaurants and fast food establishments employ advertising and promotional activities that will reach larger audiences, namely radio and television. In addition, chain operations are often in a better financial position to afford television.

## Projected change in advertising/ promotion budgets for 1988 compared to 1987

*Most managers don't forsee changing their advertising/promotion budgets in 1988*

| | Percent of all managers |
|---|---|
| Increase more than 10 percent | 5% |
| Increase 6 to 10 percent | 7 |
| Increase up to 5 percent | 13 |
| No change | 58 |
| Decrease up to 5 percent | 2 |
| Decrease more than 5 percent | 2 |
| Don't know | 13 |

**Source:** National Restaurant Association Gallup survey, 1987

### Promotions on the rise

Promotions, which include price discounts, two-for-one offers and special events, are frequently a part of advertising campaigns, whether in the form of a printed coupon in the newspaper or a special offer announced over the radio. And along with restaurant advertising, use of promotional offers has become an integral part of foodservice marketing strategies. From 1976 to mid-1987, the percent of eater occasions on which a pro-

motion was used jumped from 6 to 15 percent, according to CREST data. This increase has occurred across all restaurant segments.

Promotions are used differently within each restaurant segment. Promotions were used on 25 percent of all occasions at quickservice pizza places during an average two-week period between June 1986 and May 1987. Quickservice sandwich and chicken operations used promotions almost as often. In contrast, promotions were used on only 5 percent of the eater occasions at quickservice Asian restaurants.

Midscale restaurants experienced less variation, generally using promotions on 7 to 11 percent of all occasions. Family steak places, however, experienced usage of nearly 25 percent during an average two-week period between June 1986 and May 1987. This may reflect these operations' attempts to increase traffic and attract new customers in the wake of widespread renovations and menu repositioning.

Upscale restaurants, like midscale operations, show less variation in the use of promotions, averaging between a 7 and 12 percent rate.

### Promotion and advertising setting new pace

Based upon their objectives, restaurants can employ a variety of advertising and promotional methods, from direct mail to magazines to sponsorship of community events. As competitors increasingly advertise their establishments, the pressure will build to respond in kind.

*—Laurence Greenberg*

# Spotlight on soup and sandwich orders in 1986

*When it comes to restaurant orders, soups and sandwiches are not the duo they appear to be in everyday parlance. In 1986 soup was ordered on only 3.7 percent of eater occasions, while more than 33 percent of restaurant occasions involved a sandwich. Still, there is a market for soup, especially at restaurants that cater to older customers or at midscale and upscale operations.*

**Sandwich orders by type, 1986**

*Hamburgers and cheeseburgers are the most popular sandwich choice*

| | Percent |
|---|---|
| Hamburger/cheeseburger | 56% |
| Roast beef | 6 |
| Hot dog | 6 |
| Hero/submarine | 6 |
| Fried fish | 5 |
| Chicken | 5 |
| Ham and cheese | 2 |
| Steak | 2 |
| Club/BLT | 2 |
| All others | 10 |

**Source:** NPD CREST, 1986

Although the majority of tableservice menus include at least one soup selection, CREST data indicate that soup is not part of very many meals at restaurants. Overall, soup was ordered on only 3.7 percent of eater occasions in 1986. Furthermore, the number of occasions on which soup was ordered actually declined by more than 4 percent from 1984 to 1986.

### Where is soup consumed?

Soup is uncommon at quickservice restaurants. Fewer than one percent of occasions at quickservice restaurants include soup. Still, it is worth noting that soup orders were up more than 15 percent from 1984 to 1986, compared to a 9 percent increase in total quickservice traffic.

Soup is much more commonplace at midscale and upscale restaurants where it was ordered on 8 percent and 13 percent of occasions, respectively. In 1986 more than half of all soup orders were consumed at midscale restaurants, compared to 28 percent at upscale places and 14 percent at quickservice operations.

Soup is most popular at Asian restaurants whether they are quickservice, midscale or upscale. On quickservice Asian occasions soup is included nearly 10 percent of the time, and 31 percent of occasions at higher check upscale Asian restaurants include soup.

### Who orders soup?

Interest in soup is strongest among older consumers, a group that many restaurateurs are looking at more closely because they have the most discretionary spending power.

Although they accounted for only 22 percent of total customer traffic, consumers who are 55 years old and older were responsible for 42 percent of soup orders in 1986, according to CREST data. Children, teens and young adults, on the other hand, are unlikely to order soup. Consumers under 25 years of age accounted for 27 percent of total customer traffic, but

**Percent of soup orders versus total occasions by age, 1986**

*Older consumers are most likely to order soup*

| Age | Percent of soup orders | Percent of eater occasions |
|---|---|---|
| Under 6 years old | 1% | 7% |
| 6–17 years old | 5 | 12 |
| 18–24 years old | 4 | 8 |
| 25–34 years old | 17 | 22 |
| 35–44 years old | 16 | 17 |
| 45–54 years old | 15 | 12 |
| 55–64 years old | 18 | 11 |
| 65–74 years old | 17 | 8 |
| 75 years old and over | 7 | 3 |

**Source:** National Restaurant Association CREST Survey, 1987

less than 10 percent of soup orders.

### Sandwiches, a lunchtime favorite

In contrast to the limited interest in soup, more than one-third of all restaurant occasions involve a sandwich. Not surprisingly, sandwiches are especially popular at lunch. In 1986 they were ordered on 53 percent of lunch occasions, 31 percent of dinner occasions and 11 percent of snack occasions. Breakfast sandwiches were ordered on 24 percent of all morning meal occasions.

Although sandwiches are ordered on more than half of all lunch occasions, it is worth noting that their order frequency at lunch has declined slightly since 1982. There has been a decline in the percent of occasions on which sandwiches are ordered at supper and snacks as well.

Breakfast sandwiches are running contrary to the downward trend. The percent of breakfast occasions on which sandwiches were ordered rose from 13 percent in 1982 to 24 percent in 1986. Part of the reason for the increase is due to the variety of breakfast muffin, biscuit and croissant sandwiches many chains introduced during this time period.

### Sandwich order patterns vary by segment

In 1986 nearly 80 percent of all sandwich orders occurred at quickservice restaurants, compared to 17 percent at midscale and 3 percent at upscale places. However, as they introduce alternatives, quickservice restaurants are finding that the proportion of occasions on which sandwiches are ordered is declining—from 45 percent of occasions in 1982 to slightly below 40 percent in 1986. The same pattern is repeated at midscale places, but sandwich orders, although relatively infrequent, are holding their own at upscale places.

### Hamburgers still on top

Hamburgers are still, by far, the leading sandwich choice. Of all sandwich orders in 1986, 56 percent were hamburgers or cheeseburgers—up slightly from 1982. The burger without cheese has a slight edge, accounting for 54 percent of all hamburger orders. The hamburger/cheeseburger segment's closest competitors, each with 6 percent of sandwich orders, were roast beef, hot dogs and heroes/submarines. Fried fish and chicken sandwiches followed closely, each with 5 percent of orders.

Most of the hamburger and chicken sandwich orders were placed at quickservice establishments, which captured 88 percent and 87 percent shares, respectively. In contrast, quickservice restaurants are responsible for less than half of all orders for steak, BLT and club sandwiches.

### Kids favor hot dogs, hamburgers

Although children and teens up to 17 years of age account for less than 20 percent of customer traffic, they make their preference for hot dogs and hamburgers known by placing 29 percent and 26 percent of the orders for these menu items, respectively. Hamburgers rank first with older consumers, too, but these mature patrons are more likely than younger ones to order other kinds of sandwiches. —*Susan Mills*

*Competition report:*

# Convenience store update

*The National Restaurant Association forecasts that retail host restaurant sales will approach $9 billion in 1988—up a dramatic 7.8 percent in inflation-adjusted dollars from 1987. This represents a 4.2 percent share of the industry's total foodservice sales, a substantial gain from 2.7 percent just eight years ago.*

Foodservice sales at retail host restaurants* in department stores, drug stores, food stores and other establishments have climbed steadily throughout this decade. In 1980, these retail host establishments garnered 2.7 percent of total foodservice industry's sales. By 1987, their percentage grew to 4.2 percent.

The continued strong growth of this sector is due primarily to increased foodservice sales at convenience stores and supermarkets. As Michael J. Grisanti, Chairman of the Board and President of the National Restaurant Association, noted at the association's 1988 Economic Forecast press conference in New York: "Convenience stores are cutting into our business and raising our sales figures at the same time."

The convenience store industry has expanded rapidly in recent years. According to the National Association of Convenience Stores, the number of convenience stores** increased to 64,000 in 1986—up 25 percent since 1982. During the same time period, total convenience store industry sales advanced to $53.9 billion—up more than 50 percent from the sales level recorded in 1982 of $35.9 billion.

Recently, the convenience store sector began testing new business relationships to attract more customers. Some convenience store operators are joining with fast food chains in joint ventures, while others are expanding their own foodservice offerings. At the same time some convenience stores have entered into agreements with major oil retailers. The end result is a blurring of the traditional lines

**The National Restaurant Association definition of retail host restaurants includes drug and proprietary store restaurants, general merchandise store restaurants, variety store restaurants, food store restaurants, grocery store restaurants, gasoline service station restaurants and miscellaneous retailers. Since the Census Bureau does not define "convenience store," association estimates of foodservice sales by these establishments are reflected in grocery store restaurants and gasoline service station foodservice.*

***The National Association of Convenience Stores defines a convenience store as having a building size of 1,000 to 3,200 square feet with a suitable parking area for customers and an extensive product mix, including dairy products and frozen food.*

among convenience stores, fast food restaurants and gasoline stations as convenience stores expand in several directions.

### Total convenience industry sales over $50 billion

Consumers spent almost $54 billion in 1986 at the nation's 64,000 convenience stores, according to the National Association of Convenience Stores. Of this amount, one out of every three dollars was spent on gasoline. Gasoline sales in 1986 totaled $17.9 billion and accounted for a significant 33 percent of total convenience store revenues. In comparison, convenience store industry sales totaled $35.9 billion in 1982, including gasoline sales of $12.2 billion.

In 1986, the convenience store industry's gasoline sales declined by 1.6 percent from 1985. However, the industry has experienced an increase in the total percentage of convenience stores which sell gas. In 1982, 46 percent of convenience stores sold gas while in 1986, 60 percent did so. Even though the average price of a gallon of gas has fluctuated, more convenience stores are selling gas now since the average margin per gallon has increased steadily since 1983.

Total in-store sales at convenience stores, which exclude gasoline but include sales of items such as cigarettes, alcoholic beverages, soft drinks and fast food, grew at an average annual rate of 13 percent between 1982 and 1986. The National Association of Convenience Stores reports that in-store sales totaled $36.0 billion in 1986, compared to $23.7 billion in 1982.

**Retail host restaurant sales**

*Retail host restaurants* have been steadily increasing their share of the foodservice industry's food and drink sales*

| Year | Food and drink sales for retail host establishments ($000) | Percent of total foodservice industry food and drink sales |
|---|---|---|
| 1980 | $3,263,548 | 2.7% |
| 1982 | 4,108,382 | 2.9 |
| 1984 | 5,394,529 | 3.3 |
| 1986 | 7,084,721 | 3.8 |
| 1988** | 8,906,822 | 4.2 |

*Within the retail host category, the rapid foodservice sales growth of gasoline service station restaurants and grocery store restaurants reflects the growing importance of convenience stores*

| Year | Gasoline service station food and drink sales ($000) | Percent increase over previous year | Grocery store restaurant food and drink sales ($000) | Percent increase over previous year |
|---|---|---|---|---|
| 1980 | $ 491,767 | — | $ 830,328 | — |
| 1981 | 597,989 | 21.6% | 1,032,098 | 24.3% |
| 1982 | 711,541 | 19.0 | 1,257,180 | 21.8 |
| 1983 | 860,253 | 20.9 | 1,553,874 | 23.6 |
| 1984 | 1,047,788 | 21.8 | 1,954,774 | 25.8 |
| 1985 | 1,290,875 | 23.2 | 2,465,722 | 26.1 |

** Includes drug and proprietary store restaurants, general merchandise store restaurants, variety store restaurants, food store restaurants, grocery store restaurants, gasoline service station restaurants, and miscellaneous retailers.*

*** Projected*

**Source:** National Restaurant Association

### Convenience store sales structure

Although gasoline accounts for the largest share of total convenience store sales, fast food is becoming increasingly important to the industry's revenues.

In 1986, according to the National Association of Convenience Stores, room-temperature items excluding gas, such as tobacco, groceries, candy, snacks and bread, were responsible for 49.5 percent of convenience store non-gas sales. Cooler products, which include beer, soft drinks and milk, captured one out of every three non-gas dollars spent in a convenience store in 1986.

The next largest product category at convenience stores in 1986 was fast food, producing more than 14 percent of non-gas sales for the year, compared to a smaller 9 percent share in 1983. Frozen items, such as ice and ice cream, claimed a 3.1 percent share of sales in 1986.

### Fast food sales jump

Based on information from the National Association of Convenience Stores, fast food*** sales at convenience stores exceeded $5 billion in 1986, a dramatic

****Includes both fresh and frozen sandwiches, deli services, food cooked on-site, fountain drinks, frozen beverages, hot beverages and other fast food.*

19 percent increase over 1985's level. Fountain drinks represented the largest contribution (25 percent) to the total convenience store industry fast food sales, reaching almost $1.3 billion in 1986. Deli services ranked second (23 percent), approaching $1.2 billion. Hot beverage sales totaled $972 million, and sandwich sales, both fresh and frozen, came in at $936 million.

The hot beverage category exhibited the largest growth of all fast food sales at convenience stores between 1985 and 1986—up 83 percent. In addition to hot beverages, fountain drinks and food cooked on-site exhibited robust growth rates. Fountain drink sales at convenience stores rose by more than 50 percent in 1986. Of particular interest to foodservice operators, the sales of fast food cooked on-site at convenience stores increased by 44 percent in 1986 to reach $144 million, and total sales of fresh and frozen sandwiches decreased by 9 percent.

## Prepared food offerings up

The number of convenience stores offering consumers some type of prepared food jumped dramatically between 1984 and 1986. In 1986, 73 percent of the convenience stores surveyed by the National Association of Convenience Stores offered prepared foods, up from 42 percent in 1984. In addition, the number of convenience stores with service delis also increased, as did the popularity of on-premises bakeries. In 1986, 5 percent of convenience stores indicated that a bakery existed on-site.

Microwave ovens and fountain drinks were prominent at convenience stores in 1986. Both of these categories registered gains for 1986, with virtually every convenience store (97 percent) indicating it had microwave facilities.

Twelve percent of convenience stores were estimated to have an automatic bank teller on-site in 1986. Four out of 10 stores accepted credit cards with one out of every 10 stores also accepting debit cards. In response to the joint ventures forged with some fast food operators, one out of every 20 (5 percent) convenience stores in 1986 indicated that seating was available for its fast food customers.

## What are the most frequently purchased foods?

According to a special CREST study of the convenience store industry, soft drinks topped the list as the most frequently ordered food item at convenience stores in 1986—37 percent of eater occasions were for these carbonated beverages.

Other frequently ordered items included sandwiches (31 percent), ice cream (14 percent), coffee (13 percent), donuts/sweet rolls (11 percent) and hamburgers (10 percent). Nachos captured only one percent of convenience store eater occasions in 1986.

## Average check size

Unlike the fast food segment of the restaurant industry, the convenience store industry's average sale per customer has not significantly increased from its 1982 level. This may be due to convenience stores increasingly relying on building store traffic to increase sales.

In 1982, the average sale (excluding gas) per convenience store customer was $1.99. This average sale figure increased to $2.07 in 1985, but dropped back to $1.98 for 1986. This figure includes in-store purchases of non-fast food items in addition to fast food.

CREST data reveal that the average check per customer for the quickservice segment of the industry stood at $2.12 in 1982, 13 cents above the convenience industry's yearly average. By 1986, the quickservice average check per customer had risen to $2.47, compared to the $1.98 for convenience stores.

The fact that the average sale per convenience store customer has not risen while convenience industry revenues have continued to climb highlights that convenience stores are increasing their store traffic which more than compensates for a relatively stable average sale per customer.

## Who patronizes convenience stores?

Similarities exist in the demographic profiles of fast food patrons and convenience store purchasers.

According to CREST research, consumers with an above-average interest in frequenting convenience stores display the following demographic characteristics:

- □ Household heads under age 35
- □ Households with income less than $20,000 a year
- □ Males
- □ Blue-collar workers
- □ Employed, not married individuals
- □ Households with both spouses employed
- □ One and two-member households

Those convenience store consumers who are most important to the stores in terms of volume contribution fall into the following demographic categories:

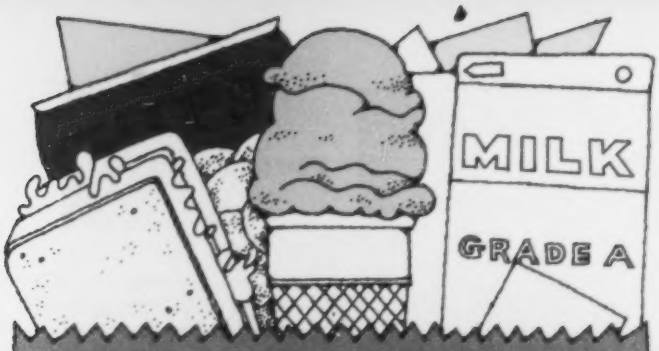
- □ Household heads between 25 and 34 years of age
- □ Household income between $20,000 and $30,000 a year
- □ Males
- □ White-collar workers
- □ Households with both

### The most frequently purchased foods at convenience stores (1986)

*Soft drinks are the most frequently purchased food items at convenience stores*

| Item | Percent of eater occasions |
|---|---|
| Soft drinks | 37% |
| Total sandwiches | 31 |
| Ice cream | 14 |
| Coffee | 13 |
| Donuts/sweet rolls | 11 |
| Hamburgers | 10 |
| French fries | 9 |
| Hot dogs | 6 |
| Heros/subs | 4 |
| Salads | 4 |

**Source:** NPD CREST, 1986




## Convenience store offerings

*In 1986, three out of four convenience stores offered some type of prepared food*

| Percent of convenience stores offering: | 1984 | 1986 |
|---|---|---|
| Microwave equipment | 95% | 97% |
| Fountain drinks | 92 | 96 |
| Prepared foods | 42 | 73 |
| Service deli | 22 | 29 |
| Automated tellers | 11 | 12 |
| On-premises bakery | 1 | 5 |
| Vending machines | 3 | 8 |
| Fried chicken | 3 | 3 |
| Video rentals | NA | 44 |
| Credit cards | NA | 37 |
| Debit cards | NA | 11 |
| Seating for fast food customers | NA | .5 |

NA = not available
**Source:** National Association of Convenience Stores

spouses employed

□ Three and four-member households

CREST data also indicate that customers of convenience stores are less likely to visit upscale restaurants.

A National Restaurant Association study *Consumer Expectations with Regard to Dining at Fast Food Restaurants* reveals that frequent users of fast food restaurants are young adults (18 to 24 years old), singles and men. The main reasons consumers cited for eating at a fast food restaurant are lack of time and convenience.

Convenience stores are offering more food products and services to match consumers' interest in a speedy and convenient meal. The convenience store industry is repositioning itself to capitalize on the growing demand for food consumed away from home, and one of its major targets is the same consumer who frequently eats at fast food restaurants.

### Some restaurant customers are switching to convenience stores

Since fast food sales at convenience stores have been climbing, restaurant operators must be wondering whether the gain of foodservice sales at convenience stores has come from their customer base. A recent CREST study provides some insights.

CREST examined whether the source of growth for convenience stores was due to a higher usage of foodservice by the consumer or whether it actually represented consumers shifting from restaurants. For convenience stores, CREST determined that half (53 percent) of the foodservice growth at convenience stores between 1985 and 1986 was a result of regular customers using convenience stores more frequently. Consequently, the other half (47 percent) of growth was due to consumer switching.

Which restaurants did the convenience store consumers switch from? CREST research indicates that the convenience store foodservice patrons came from chicken, hamburger, ice cream and other quick-service sandwich restaurants. These categories represented more than half of the shifting gains, indicating that convenience stores should be considered "real" competition by foodservice operators.

Of all meal occasions at convenience stores in 1986, lunch was the fastest growing daypart, according to CREST data. In 1986, 29 percent of convenience store meal occasions were for lunch, compared to 25 percent in 1985. Breakfast dropped from 29 percent of meal occasions in 1985 to 22 percent in 1986. Moreover, convenience store foodservice is most dependent upon consumers visiting the establishment for a snack. In 1986, 38 percent of convenience store meal occasions were snacks.

Where are these meals and snacks consumed by the convenience store patron? Nearly nine out of 10 (88 percent) convenience store meals and snacks in 1986 were consumed off-

## Fast food* sales at convenience stores ($000)

*Sales of food cooked on site at convenience stores increased in 1986*

| Category | 1985 | 1986 | Percent change 1985-1986 |
|---|---|---|---|
| Hot beverages | $ 531,000 | $ 972,000 | 83.0% |
| Fountain drinks | 863,000 | 1,296,000 | 50.2 |
| Food cooked on-site | 100,000 | 144,000 | 44.0 |
| Deli services | 996,000 | 1,188,000 | 19.3 |
| Frozen beverages | 299,000 | 324,000 | 8.4 |
| Sandwiches (fresh and frozen) | 1,029,000 | 936,000 | -9.0 |
| Other fast food | 531,000 | 324,000 | -39.0 |
| **Total** | **$4,349,000** | **$5,184,000** | **19.2%** |

**Fast food as defined by the National Association of Convenience Stores includes fresh sandwiches, frozen sandwiches, deli services, food cooked on-site, fountain drinks, frozen beverages, hot beverages and other fast food*
**Source:** National Association of Convenience Stores

premises. Nearly half of these were eaten in a car, but, compared to 1985, the percentage of convenience store meals and snacks consumed in cars had declined, with at-home consumption increasing. In 1985, 44 percent of convenience store meals and snacks were consumed in cars, and 13 percent were eaten at home. By 1986, consumers ate 20 percent of their convenience store meals and snacks at home and a lower 40 percent in their cars.

## The teenage factor

The market clout of the nation's diminishing number of teenagers has long been recognized within the foodservice industry. This demographic group is also critically important to the convenience store industry and strategic to the consumption of fast food at convenience stores. A recent Gallup survey conducted by *Convenience Store News* highlights the importance of teenagers to convenience stores.

The Gallup survey revealed that during the first six months of 1987, 70 percent of teenagers aged 13 through 17 indicated that they shopped at convenience stores at least once a week. Of particular interest to restaurateurs is that almost half of the teenagers (48 percent) reported that they had purchased fast food on their last visit to a convenience store. Of these individuals, 38 percent had purchased a soda or fountain drink, 32 percent a hot dog or hamburger, 16 percent a slice of pizza, 14 percent a sandwich and 11 percent french fries.

## The video connection

Restaurateurs are aware of the importance of the videocassette recorder (VCR) in affecting consumer behavior. The scene of a family or a group of teenagers huddled around the VCR watching a favorite movie while dining on delivered pizza or carryout Chinese is becoming increasingly commonplace. Restaurant operators have responded by offering new takeout meals and services to meet this consumer demand.

As the popularity of the VCR has increased, so has the consumers' need for quick and convenient access to rent videocassettes. The convenience store industry has been quick to recognize this fact and, according to the National Association of Convenience Stores, four out of every 10 stores (44 percent) offered videos to rent in 1986.

The reason this fact should be of interest to restaurant operators is the developing cross-selling opportunities that C-stores have with the video rental consumer. As convenience stores continue to develop their video rental programs, the opportunity to sell the consumer a meal or snack to go with the video rental holds significant potential.

A Gallup survey conducted by *Convenience Store News* in 1987 showed that four out of every 10 teenagers between the ages of 13 and 17 like to buy snack foods when renting videotapes, and two out of every 10 teenagers like to be able to buy fast food when renting a tape.

In response to the convenience store move into the video rental market, some video chain stores are now offering snack foods and beverages to their patrons. Few individuals could have foreseen that a multi-billion dollar industry, such as video rentals, would target convenience store food items as a way to defend their customer base and enhance profit margins.

Most importantly, the consumer interest in combining videotape rentals with fast food purchases is not limited just to the teenage and young adult market. A *Convenience Store News* Gallup survey conducted in 1987 revealed that 17 percent of frequent convenience store patrons between the ages of 35 and 49 would be interested in combining the ability to purchase fast food with renting a videotape.

**1986 convenience store industry sales structure (excluding gas)**

*Fast food items account for 14.4 percent of total convenience store sales*

| Product group | Percent of sales[1] |
|---|---|
| Room temperature items[2] | 49.5% |
| Cooler items[3] | 33.0 |
| Fast food[4] | 14.4 |
| Frozen[5] | 3.1 |
| **Total** | **100.0%** |

[1]Industry average
[2]Includes bread and cakes, cookies, salty snacks, candy, gum, groceries, health and beauty aids, tobacco, publications, wine/liquor, motor oil and other general merchandise
[3]Includes beer, soft drinks, juices, milk and milk products, packaged deli, produce and eggs
[4]Includes fresh and frozen sandwiches, deli services, food cooked on-site, fountain drinks, frozen and hot beverages and other fast food
[5]Includes frozen food, ice cream and ice

**Source:** National Association of Convenience Stores

## The future

Convenience store operators and the foodservice industry will be closely examining each others' customers to determine how to better serve the patron they both know best. The joint ventures which have been developing are an effort to combine forces to better serve the consumers and their needs while avoiding the high start-up costs associated with opening new units. Convenience stores have strategically positioned themselves in the videotape rental market, and the addition of fast food in many stores is a logical consequence of this decision. Just as many fast food restaurants have opened drive-thru windows to meet consumers' need for a quick takeout meal, a few convenience stores are experimenting with their own drive-thru windows.

The rapidly growing convenience store industry is attempting to broaden its customer base, and the addition of fast food at many stores appears to be helping. *Convenience Store News* reports that convenience store operators say fast food is the most important category for future growth—more important than snack foods, video rentals and gasoline. The convenience store industry will likely target women and higher income individuals in the future in an effort to maintain their rapid sales growth.

Convenience stores have become an integral part of the foodservice industry due to changing demographics and lifestyles. Wise restaurant operators will closely monitor the convenience store industry's progress in the foodservice arena.

*—Hudson Riehle*

## 1 NEW ENGLAND

**Location:** Newport, RI
**Association member:** Ralph Plumb
**Operation:** The Brick Alley Pub and Restaurant
**Profile:** Leisure dining
**In business:** 9 years
**Seats:** 90 in winter, 140 in summer
**Meals served:** Lunch, dinner

"For us, business has improved every year. This year business has been up 10 percent," says **Ralph Plumb,** owner of The Brick Alley Pub and Restaurant. "Our business goes up about 20 percent in the summertime, and we have a waiting line the whole time we're open."

The Brick Alley offers diners a casual atmosphere and an extensive menu, including a variety of fresh seafood and meat entrees. The two most popular dishes are *Black Spaghetti*—pasta blackened with squid ink and topped with a sauce containing scallops, crabmeat and lobster—and *Baked Sole Vanderbilt*—sole baked in garlic butter and white wine; stuffed with crabmeat, mushrooms and Monterey Jack cheese; and then topped with hollandaise sauce.

Although tourism has dropped slightly because Newport is no longer the home of America's Cup, Plumb says the city has developed a strong enough economy to enable his and other businesses to grow.

## 2 MID ATLANTIC

**Location:** Cape May, NJ
**Association members:** Arthur Craig, Rona Craig
**Operation:** Washington Inn
**Profile:** Upscale restaurant
**In business:** 10 years
**Seats:** 120
**Meal served:** Dinner

"Business is excellent. There is no comparison from what it was in December 1986," says **Michael Craig,** general manager of the family-run Washington Inn. "We're up 25 percent."

Hosted holiday parties was the primary reason sales increased dramatically at the Washington Inn this past December. The inn began hosting parties two years ago, but business did not take off until this past year.

The parties, usually held for southern New Jersey businesses, were the perfect cure for the winter slowdown at the inn, which relies heavily on summer tourists. The menus for the parties are worked out with the businesses, and they are usually representative of the restaurant's full menu. Winter favorites include the double boneless lamb chops and clams casino. Popular in the summer is the fresh, local seafood. For dessert, many people choose the inn's chocolate mousse.

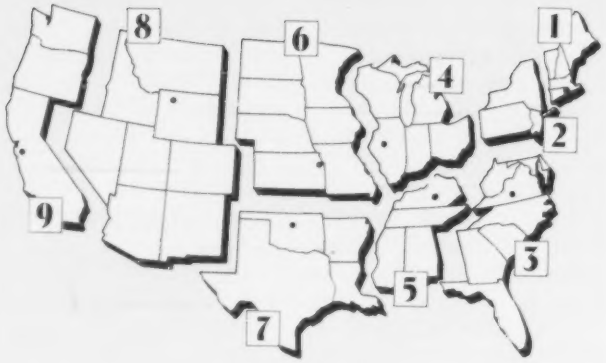
## 3 SOUTH ATLANTIC

**Location:** Salem, VA
**Association member:** Robert Rotanz
**Operation:** Mac and Bob's
**Profile:** Leisure dining
**In business:** 7 years
**Seats:** 120
**Meals served:** Lunch, dinner

"Things are going pretty good. We started a new menu just over a year ago, and it's done better than we thought it would," says **Robert Rotanz,** co-owner of Mac and Bob's, a former bar that has nearly completed its conversion into a leisure dining restaurant.

When it first opened, Mac and Bob's was a drinking hole for students at nearby Roanoke College. But when Virginia changed its drinking age to 21 about three years ago, Rotanz and his partner Joseph Dishaw decided they had to reposition their bar to avoid losing business. "It's a lot easier now and a lot more fun," Rotanz says.

Although the menu has shifted from featuring only pizza and sandwiches to serving entrees, such as seafood pasta, calzones and shish kebabs, Mac and Bob's pizza remains a popular item. "There are not too many places around here to get a good pizza," Rotanz maintains.




## 4 EAST NORTH CENTRAL

**Location:** Normal, IL
**Association member:** Guido Zeller
**Operation:** Avanti's Italian Restaurant
**Profile:** Fullservice restaurant
**In business:** 16 years
**Seats:** 120
**Meals served:** Lunch, dinner

"Business is good; it's been increasing steadily," says **Guido Zeller,** owner of Avanti's Italian Restaurant. "I think it's because of our consistent, inexpensive food and good service."

Zeller's inexpensive food is attractive to the students at nearby Illinois State University. His 16-inch submarine sandwiches cost about $2.50. "A lot of people are shocked when they come in here and see the prices for the first time. We keep our prices down by baking our own bread," explains Zeller. The most popular item is the *Gondola Sandwich*, a ham and salami sub with cheese and lettuce. Also popular are pizza and pasta. Zeller provides customers with delivery, carryout and fullservice dining.

## 5 EAST SOUTH CENTRAL

**Location:** Glasgow, KY
**Association members:** Mark O. Haines, Betty Haines
**Operation:** Bolton's Landing Restaurant
**Profile:** Leisure dining
**In business:** 5 years
**Seats:** 125 in dining room, 80 in banquet room
**Meals served:** Lunch, dinner

"Business is fantastic. It couldn't be better," says **Robert Kidd,** kitchen manager of Bolton's Landing Restaurant. "Business is steady all year except Janu-

ary and February, but you'd never know it's down because the restaurant still fills up most days."

Located in the small Kentucky town of Glasgow, Bolton's Landing relies on a loyal clientele. And with Glasgow now beginning to grow, it is likely that the restaurant's business will get a boost.

Bolton's Landing offers customers a very relaxed atmosphere, accentuated by the large fireplace in the middle of the restaurant.

The biggest seller is a steak and chicken combination, which consists of a 5-ounce rib-eye steak, chicken teriyaki and a salad. Also popular are the appetizers, especially the shrimp and crabmeat gumbo. "It surprises me that people this far north eat so much gumbo," notes Kidd.

## 6 WEST NORTH CENTRAL

**Location:** Mission, KS
**Association member:** William D. Cowden
**Operation:** Don Chilito's Mexican Restaurant
**Profile:** Cafeteria
**In business:** 17 years
**Seats:** 180
**Meals served:** Lunch, dinner

"We had another record customer count last year. It came close to 300,000," says **William D. Cowden,** owner of Don Chilito's Mexican Restaurant.

Don Chilito's serves 100 different dishes at any time of the day. All items are freshly made while customers move their way through the cafeteria line. "Cafeteria-style allows me to offer lower prices and faster service. We are an eating place, not a dining place. We know the difference," Cowden says.

One of the big attractions at Don Chilito's is a self-service bar that offers customers all the tortilla chips and sauces they can eat. They also can feast on unlimited sopaipilla—deep-fried bread served with honey. There is no extra charge for these items.

Cowden recently opened his second Don Chilito's in Independence, Missouri.

## 7 WEST SOUTH CENTRAL

**Location:** Enid, OK
**Association member:** Richard B. Autry
**Operation:** Richill's
**Profile:** Fullservice cafeteria
**In business:** 23 years
**Seats:** 325
**Meals served:** Lunch, dinner

"The economy of this area is very poor," says **Richard B. Autry,** owner of Richill's. "It's bad throughout Oklahoma, but it's worse here. If I still owed a lot of money on my restaurant, I doubt I'd be here."

The crippled farm and oil economies in Oklahoma have created many frugal consumers. As a result, business at Richill's is down nearly 40 percent since 1981. "If we keep dropping like we have during the last four years, I don't think we can survive. We have three to four more years of rocky road ahead of us. But on the positive side, we are survivors; we'll make it," maintains Autry.

Richill's, a fullservice cafeteria, usually offers 11 meat entrees, 7 vegetables, 25 salad choices, 5 breads and 11 desserts. Because there are many health-conscious elderly in the area, Autry serves many dishes that are low in sodium, fat and cholesterol. The most popular item is grilled chicken breast.

In an effort to boost sagging profits, Autry has turned to catering. However, he is not alone. Other area restaurateurs have had the same idea. "Everybody is in the catering business now. It's very competitive," Autry laments.

Besides venturing into catering, Autry has not made any big changes at Richill's to increase business. "We haven't used coupons or special promotions because I don't believe in them," says Autry. "But," he adds, "we may have to look into them."

## 8 MOUNTAIN

**Location:** Cody, WY
**Association member:** John Gibbons
**Operation:** La Comida
**Profile:** Fullservice Mexican restaurant
**In business:** 4 years
**Seats:** 120
**Meals served:** Breakfast, lunch, dinner

"Business has been pretty good. It's grown monthly since we opened," says **Karen Gibbons,** co-owner of La Comida, a Mexican restaurant dependent on summer tourists. "In the summer it is a large business; in the winter it is a quiet place." To offset the slow winters, La Comida hosts parties in its dining room and caters.

Located at the east entrance of Yellowstone Park, La Comida gets visitors from all over the country. According to Gibbons, many who stop recommend it to friends planning trips.

All of La Comida's dishes are homemade and were developed by John Gibbons, Karen's husband. The most popular are the beef and chicken fajitas, which are made with jicamas—a Mexican vegetable that tastes like a water chestnut. La Comida also serves a variety of American foods, including steaks and seafood. Lunches cost from $7 to $10; dinners run from $12 to $20.

## 9 PACIFIC

**Location:** Santa Clara, CA
**Association member:** Rudy Parker
**Operation:** La Paloma Restaurant
**Profile:** Fullservice Mexican restaurant
**In business:** 10 years
**Seats:** 120
**Meals served:** Lunch, dinner

"Business is about the same as last year; it's reasonable," says **Rudy Parker,** owner of the La Paloma restaurant. "It could be better, but it could also be worse."

Whatever the case, Parker is not satisfied. That is why eight months ago he began a lunch promotion in which he offers customers a choice of eight hot Mexican dishes, salad, pastries and fruit. "That's proven real popular with people. We plan to promote that a little more," Parker says. Many workers in the Silicon Valley, which is about five miles from his Santa Clara, California, restaurant, come in to eat lunch.

Business at the Spanish ranch-style La Paloma is constant all year. Lunch customers are usually workers or shoppers, while dinners attract a larger cross section of Santa Clara's population. The most popular dishes are tacos de carne, and beef and chicken fajitas. Lunch usually ranges from $5 to $8, and dinners run from $6 to $11.

*—Tom McKeon*

## Shapely sandwiches

Remember when 6-foot party subs were something to talk about? They're nothing out of the ordinary now that Al and Ellen Shuster of Rockville, Maryland's, Norbeck Deli have created oversized sandwiches in shapes that correspond to specific occasions.

Some of the Shusters' most notable sandwich shapes to date include champagne bottles (for

anniversaries), baby carriages (for showers), footballs (for half-time munching) and business logos as well as candy canes, trees and Santas for Christmas. The size and shape, says Ellen, are "limited only by the imagination," as is the stuffing, which can range from traditional cheeses and deli meats to vegetarian and kosher fillings.

Prices for the custom-made sandwiches start at $45 (for 15 people).

*—Washington Post*

## A restaurant that serves none of its own food

Dine Out-In, a Houston, Texas-based operation that was created in March 1987 as a contract delivery service for selected local restaurants, continues to expand its services in an innovative fashion. The company now caters for all the restaurants for which it delivers, rents out the Dine Out-In delivery limo at night and delivers flowers, videos and, during the Christmas holidays, Christmas trees.

Next on the drawing board for Dine Out-In—a restaurant that serves none of its own food. Scheduled to open in May 1988, the operation will offer a full-service bar and food from six restaurants located within a 2-mile radius.

Dine Out-In's delivery and catering service will soon be expanding to Washington, DC, and Los Angeles.

**—Restaurants USA** *interview*

## Microwave soup and sandwich combos

The Campbell Soup Company has come up with a convenient product to use as a weapon in the battle for the consumer's lunch dollar. Early in November, the company moved into limited test markets with

SouperCombos, a line of frozen, microwavable soups and sandwiches.

The combos will be available in eight "natural" combinations from chili with beans and hot dog on a bun, to cream of broccoli soup and ham and Swiss cheese croissant.

The soup offerings are packaged in plastic bowls with clear heat-seal polyester film lidding, and the sandwiches are overwrapped in clear polyester film bags. Both the soup and the sandwich are placed on a foamed polystyrene tray (with a molded pulp grid in place beneath the sandwich) and overcartoned.

To prepare the combos, consumers are instructed to temporarily remove the sandwich from the foam tray (leaving the molded fiber sandwich grid in place), vent the soup bowl by making a few perforations in the bowl lidding film and microwave the soup on the foam tray for about 3½ minutes. Then the sandwich is removed from its film bag, placed on the tray grid and the entire meal is microwave-heated for approximately 3½ more minutes. During this heating phase, the molded pulp grid acts to absorb moisture and prevent sogginess in the sandwich.

*—Food Processing*

## A thank you to education

"For years we've known that individual recognition enhances corporate success. Common sense tells us that rewarding achievement is also important in public education," says Billy Webster IV, president of Carabo, Inc., parent company of Bojangles' of South Carolina. Last October, Webster initiated a program that recognizes teacher excellence in the Midlands, South Carolina, school district.

After meeting with school district officials in Richlands and Lexington counties, local Bojangles' stores agreed to honor 67 teachers throughout the year. Teachers selected by each school district are recognized for up to two weeks on Bojangles store readerboards and Bojangles' officials make aware presentations at monthly school board meetings, where teachers are enthusiastically praised for classroom excellence by board members and school administrators. Each teacher receives a plaque, a framed certificate, Bojangles' coupons for complimentary meals and money to purchase equipment and materials for the classroom.

According to Richland School District I Board Member James Leventis, "One of the most meaningful things that's happened here is the cross-training between school and business employees. Students and teachers are getting to know Bojangles' employees as friends. Employees are learning about the concerns and triumphs of schools. Whenever this type of dialogue develops, good things happen unexpectedly."

*—Carabo, Inc.*

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